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FBIS-EAS-95-068 CONTENTS *10 April 1995*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

- Japan Wants APEC Agreement on Trade Guidelines *[KYODO]* 1

NORTHEAST ASIA

Japan

- U.S. Said Pressuring Tokyo Over EAEC Concept *[YOMIURI SHIMBUN 9 Apr]* 2
  - Tokyo To Skip Meeting *[KYODO]* 2
- Tokyo 'Hesitant' To Attend ASEAN Meeting *[SANKEI SHIMBUN 7 Apr]* 3
- Clinton Remarks Anger Hiroshima A-Bomb Victims *[KYODO]* 3
  - Murayama Expresses 'Regret' *[KYODO]* 3
  - Mayor Seeks 'Quiet Dialogue' *[KYODO]* 3
  - Government Plans No Protest *[KYODO]* 4
- Murayama Seeks Normalized Ties With Russia *[KYODO]* 4
- MOFA To Contact DPRK on Resumption of Talks *[MAINICHI SHIMBUN 8 Apr]* 5
- Kubo Interviewed on Negotiations With DPRK *[SANKEI SHIMBUN 7 Apr]* 5
- Canadian Minister on High Yen Solution *[KYODO]* 6
- U.S. Urged To Take 'Positive Stance' on Dollar *[KYODO]* 6
- EPA Ordered To Draw Up Economic Package *[KYODO]* 7
  - To Include Medium-Sized Firms *[KYODO]* 7
- Takemura Urges Review of Exchange System *[KYODO]* 8
- Saito Opposes Surplus Cut To Arrest Yen Rise *[KYODO]* 8
- LDP To Draw Up Plan To Fight Surging Yen *[KYODO]* 8
  - Debating Surplus-Cut *[KYODO]* 9
- Automakers 'Trying Hard' To Combat Strong Yen *[TOKYO SHIMBUN 5 Apr]* 9
- 'News Analysis' Examines BOJ's Position *[KYODO]* 10
- Economic Leaders Discuss Stemming High Yen *[Tokyo TV]* 11
- Think Tank Urges 1 Point Cut in Discount Rate *[KYODO]* 11
- BOJ To Decide on Rate Cut Week of 16 Apr *[KYODO]* 12
- Industrial Bank To Cut Long-Term Prime Rate *[KYODO]* 12
- Mitsubishi, Tokai To Cut Housing Loan Rates *[KYODO]* 13
- Independent Wins Stun Main Political Parties *[KYODO]* 13
  - Business Leaders 'Shocked' *[KYODO]* 13
  - LDP, SDPJ Suffer Setbacks *[KYODO]* 14
  - KYODO Analyzes Results 14
- Results of Lower House Election Predicted *[KYODO]* 15
- * Koichi Kato's Quest for Power Examined *[VOICE Apr]* 15
- * Prospects Slim for Two Conservative Parties *[SHOKUN Mar]* 17
- Basic Defense Program Reduces SDF's Size *[KYODO]* 23
- TRDI Chief Views FSX Mission to U.S. *[BOEI GIJUTSU JANARU Feb]* 24
- TRDI 1st Research Center Researcher Profiled *[BOEI GIJUTSU JANARU Feb]* 25
- Dialogue on Future of Defense Technology *[SECURITARIAN Mar]* 26
- Article on Test Ship for High-Tech Weaponry *[SECURITARIAN Feb]* 28

North Korea

- 'Special Order' of ROK 'Warmaniacs' Denounced *[KCNA]* 30
- ROK Tries 'To Obstruct' Accord With U.S. *[KCNA]* 31
- 'Belligerent Moves' of U.S., ROK Denounced *[KCNA]* 32
- U.S. 'Arms Buildup' on Peninsula Denounced *[Pyongyang Radio]* 32

- Poland's Cutting of Embassy Staff Criticized *[Pyongyang Radio]* 33
  - 'Narrow-Minded Standpoint' Noted *[KCNA]* 33
- Paper Urges Japan To Comply With Agreement *[Pyongyang Radio]* 34
- Kim Chong-il Defense Chairman Anniversary Noted *[KCNA]* 34
  - Leadership Appearances at Meeting *[Pyongyang Radio]* 36
  - Kim Kwang-chin Speaks at Meeting *[Pyongyang Radio]* 36
  - Kang Song-san Attends Meeting *[Pyongyang Radio]* 41
  - Paper on 'Weighty Significance' *[KCNA]* 42
- 'Talk' Stresses Unity Around Kim Chong-il *[Pyongyang Radio]* 43
- Kim Chong-il Extolled for Strengthening Army *[Pyongyang Radio]* 44
- Kim Chong-il's 'Outstanding' Leadership Hailed *[Pyongyang Radio]* 46
- Kim Il-song Portrayed as 'Legendary Hero' *[KCNA]* 48
- Korean People's Army Sports Contests Held *[KCNA]* 49

South Korea

- IAEA Director Discusses Inspection Program *[YONHAP]* 49
  - Says DPRK Preparing Yongbyon *[YONHAP]* 49
  - Report Denied by Foreign Ministry *[YONHAP]* 49
  - Holds Meeting With Kim Yong-sam *[YONHAP]* 50
- U.S., North Plan To Resume Reactor Expert Talks *[YONHAP]* 50
- Seoul, U.S., Japan Consult on DPRK Issue *[YONHAP]* 50
  - Reaffirm ROK Reactors Position *[YONHAP]* 51
  - Decision Made on Policy, Tactics *[YONHAP]* 51
  - Dailies Review Outcome of Talks *[KYONGHYANG SINMUN 9 Apr, etc.]* 52
- DLP Member Cites U.S. Ambassador on Reactors *[YONHAP]* 52
- Article Views DPRK 'Fears' Concerning South *[SISA JOURNAL 13 Apr]* 52
- Seoul 'Willing' for North To Visit Ulchin Site *[YONHAP]* 54
- DPRK Envoy to Moscow Holds News Conference *[YONHAP]* 55
- Opening of U.S.-North Telephone Line Delayed *[YONHAP]* 55
- Official Views Timing of DPRK-Japan Contacts *[YONHAP]* 55
- Kong, U.S. Congressmen Discuss Security Issues 56
  - Meets With Senator Robb *[YONHAP]* 56
  - Senator Robb's Remarks Reported *[YONHAP]* 56
  - Meets With U.S. Congressman Roth *[YONHAP]* 56
- Daily Reviews Recent 'Conflicts' With U.S. *[SEOUL SINMUN 9 Apr]* 57
- Officials on Solutions to U.S. Trade Conflicts *[YONHAP]* 58
- Priority Customs Clearance of U.S. Goods Viewed *[KYONGHYANG SINMUN 9 Apr]* 58
- U.S. 'Slow' Response to Cigarette Accord Alleged *[YONHAP]* 59

SOUTHEAST ASIA

Burma

- Thai Foreign Minister on Official Visit 60
  - Arrives 7 Apr *[Rangoon Radio]* 60
  - Received by Khin Nyunt *[Rangoon Radio]* 60
  - Holds Talks With Ohn Gyaw *[Rangoon Radio]* 60
  - Activities, Meetings Detailed *[THE SUNDAY POST 9 Apr]* 60
  - Thai Delegation Departs 8 Apr *[Rangoon Radio]* 61
- Khin Nyunt Meets Japanese Deputy Minister *[Rangoon Radio]* 61
- Rangoon Said To Reject Karen Chief for Talks *[KYODO]* 61
  - Rebels Insist Leaders Attend Talks *[AFP]* 61
- Further Reportage on National Convention 62
  - 6 Apr Proceedings *[Rangoon Radio]* 62
  - Convention Adjourns; To Resume 24 Oct *[Rangoon Radio]* 62
- Rangoon Reports Release of 5,337 Convicts *[Rangoon Radio]* 63

Brunei, Malaysia & Singapore

Malaysia

TIME Magazine Alleges Country Trains Terrorists 63
  Mahathir Rejects Allegations *[Kuala Lumpur TV]* 63
  Home Ministry To Send Letter *[Kuala Lumpur International]* 64
  Commentary Urges TIME To Apologize *[Kuala Lumpur International]* 64
  Editorial Terms Allegations 'Lies' *[UTUSAN MALAYSIA 10 Apr]* 64
Minister: DPRK Offers To Initiate Military Ties *[Kuala Lumpur International]* 65

Cambodia

Hun Sen Says Old KR Tactics No Longer Useful *[Phnom Penh Radio]* 65
KR Claims Phnom Penh Killed Thai Policemen *[Radio PGNUNS]* 65
Khmer Rouge Rebels Kill Two Chinese Workers *[AFP]* 66
Khmer Rouge Claims SRV Troops Sent to Northwest *[Radio PGNUNS]* 66
Officials Cite Continuing Military Pay Problems *[REAKSMEI KAMPUCHEA 27 Jan]* 66
Statistics on Khmer Rouge Membership in RCAF *[REAKSMEI KAMPUCHEA 20-21 Feb]* 66
Provincial Official Questions Military Police Role *[REAKSMEI KAMPUCHEA 15 Feb]* 67
Special Zone Soldiers Face Supply Problems *[REAKSMEI KAMPUCHEA 18 Feb]* 67
Labor Official on Immigration, Work Permits *[REAKSMEI KAMPUCHEA 20-21 Feb]* 67

Indonesia

Army Chief Views GPK Activities, East Timor *[ANTARA]* 67
Suharto Visit to Germany, Globalization Viewed *[KOMPAS 6 Apr]* 68

Laos

KPL Notes Signing of Mekong Cooperation Pact 69
Memorandum Signed With Japan on Building Bridge *[KPL]* 69
Agreement With SRV on Power Line Construction *[VIENTIANE TIMES 31 Mar-6 Apr]* 69
Saisomphon Phomvihan New Finance Minister *[Vientiane Radio]* 69

Philippines

Protest Lodged With PRC on Fishing in Spratlys *[AFP]* 70
Ramos' Preference for Diplomacy, Dialogue Noted *[PHILIPPINE DAILY INQUIRER 6 Apr]* 70
Government Rules Out Force in Spratly Dispute *[Quezon City TV]* 71
Officials Suspended Over Dispute With Singapore *[Quezon City Radio]* 72
Ramos Sees 'New Menace' From Foreign Terrorists *[AFP]* 72
  Further on Ramos' Concern *[Quezon City Radio-TV]* 72
Six Arabs Arrested 31 Mar Linked to Hamas *[PHILIPPINE DAILY INQUIRER 5 Apr]* 72
Abu Sayyaf Link to Pakistani Group 'Confirmed' *[Quezon City Radio]* 73
Further on Events Surrounding Ipil 'Massacre' 74
  Gunmen Execute Five Hostages *[AFP]* 74
  Gunmen Identified as Abu Sayyaf *[AFP]* 74
  Command Chief Comments *[AFP]* 75
  Five Abu Sayyaf Members Interrogated *[Quezon City Radio-TV]* 76
  MNLF Denies Involvement *[Quezon City Radio-TV]* 76

Thailand

Activities of Visiting Deputy USTR Noted *[PRACHACHAT THURAKIT 3-5 Apr]* 76
Official Calls U.S. Tobacco Quota 'Appropriate' *[BANGKOK POST 10 Apr]* 77
Judicial Council Issues Ruling on Phaisan Case *[MATICHON 3 Apr]* 77
Cabinet To Consider Insurance Liberalization *[SIAM POST 4 Apr]* 78
Official Comments on Phaisan Insurance Case *[THAI THURAKIT FINANCE 4 Apr]* 78
  Urges Phaisan To Reduce Foreign Shares *[MATICHON 4 Apr]* 79
Report Examines Phases for Insurance Liberalization *[KRUNGTHEP THURAKIT 4 Apr]* 79

Article Examines Universal Insurance Controversy *[THE NATION 8 Apr]* 80
Academics on Liberalizing Business Ownership *[KRUNGTHEP THURAKIT 5 Apr]* 81
Mekong Council Agrees to Invite PRC, Burma *[BANGKOK POST 8 Apr]* 82
PRC Urged To Reconsider Joining Mekong Pact *[BUSINESS DAY 10 Apr]* 83
Editorial Says Mekong Accord Promotes Cooperation *[MATICHON 8 Apr]* 83
Prime Minister on Cambodian Army 'Robbery' *[BANGKOK POST 10 Apr]* 84
Border Policemen Found Dead in Cambodia *[BANGKOK POST 8 Apr]* 84
    Military Urges Protest *[THE SUNDAY POST 9 Apr]* 84
Ministry Expected To Close Crossing to Burma *[Bangkok Radio]* 85
'Source': Burma Denies Allegation of Tak Raid *[THE SUNDAY NATION 9 Apr]* 85
BANGKOK POST Corrects Supachai Remark 86

Vietnam

Do Muoi's Japan, ROK Visit Previewed *[Hanoi International]* 86
Government Sponsors World Economic Forum *[VNA]* 86
    Phan Van Khai Speaks at Forum *[VNA]* 87
Mekong River Pact Signed, 'Goodwill' Hailed *[Hanoi International]* 88
German Economic Minister Visits Hanoi 6 Apr *[VNA]* 88
    Received by Vo Van Kiet *[VNA]* 88
South Shipping Additional Rice to North *[VNA]* 88
VNA Reports on Inflation for First Quarter 89
National Assembly Issues Communique No. 8 *[Hanoi Radio]* 89
    Assembly Issues Communique No. 9 *[Hanoi Radio]* 89
Party Control Department Holds Conference *[Hanoi Radio]* 89

Japan Wants APEC Agreement on Trade Guidelines

OW0904112495 Tokyo KYODO in English 1105 GMT 9 Apr 95

[By Siti Rahil Dollah]

[FBIS Transcribed Text] Singapore, April 9 KYODO—Japan wants the Asia-Pacific Economic Cooperation (APEC) forum to agree on broad principles and guidelines for the region's trade and investment liberalization before specifics, making it unlikely that APEC can come up with concrete measures this year as desired by the United States.

Japan's proposals on the ways and means for APEC to achieve its goal for free trade and investment by the year 2020 are contained in a discussion paper which Japan has prepared for the second special sessions of senior APEC officials, which will open in Singapore on Tuesday [11 April].

In the document, a copy of which was obtained by KYODO NEWS SERVICE, Japan urges APEC's 18 member economies to first map out a list of general principles as well as specific guidelines for trade and investment liberalization and facilitation in the region before moving on to specific measures.

After that has been agreed on, each member economy could then develop and submit its own action plan based on the principles and guidelines, either at APEC ministerial and leaders' meetings in Osaka, Japan, this November or in manila next year when it is the Philippines' turn to chair APEC.

The document asks, "Should these initial action plans be submitted at the Osaka or the Manila meeting?"

Informed sources said because the Osaka meeting is only six months away, APEC officials probably only have enough time to map out principles and guidelines this year, and the detailed measures can only come next year in Manila.

Japan also asks APEC members to decide whether they want to submit their respective action plans to senior APEC officials to be finalized by APEC economic ministers or submit them directly to the leaders' summit.

Japan proposes that APEC member economies prepare "concrete" liberalization measures with a time frame spanning only till the year 2000, "while thinking in terms of a broad direction toward the years 2010 and 2020."

The years 2010 and 2020 are the target dates for industrialized economies and developing economies, respectively, to achieve free trade in the Asia-Pacific region. APEC leaders agreed on the targets in Indonesia last year.

Japan has also proposed establishment of a mechanism to review the general principles and guidelines before the year 2000, "for example in 1999."

The sources say this could provide Japan and other countries which have difficulty opening up certain market sectors to the world with an excuse to backtrack if necessary.

The Uruguay Round Global Trade Decontrol Accord, which currently requires Japan to import rice on a minimum access basis till the year 2000, has to be renegotiated later, which is why Japan is reluctant to commit itself to opening its rice market beyond that year.

In proposing one of the general guidelines, Japan urges all APEC member economies to agree that APEC will "at least for the time being" extend benefits to nonmembers on an unconditional most-favored-nation (MFN) basis which allows a trading partner the best terms of trade available.

But in an apparent effort to appease the U.S., Japan urges the Singapore meeting of senior officials to discuss how to resolve the issue of so-called "free riders" or those who want to feed on APEC's trade benefits while keeping their own markets closed.

The unilateral approach is a snub for the U.S., which has maintained the posture that trade benefits should be extended both within and outside APEC on a strictly reciprocal basis and that there should not be "free riders."

Japan's proposals are expected to be welcomed by developing countries, which are reluctant to liberalize trade and investment at too rapid a pace but are likely to face strong opposition from the U.S. and other Western industrialized countries.

The U.S. coordinator for APEC, Sandra Kristoff, is suspicious of the "concerted unilateral approach," which was widely supported by APEC member economies during the first special session of senior APEC officials in Fukuoka, western Japan, in February this year.

Kristoff made it clear recently that the U.S. wants a "credible, comprehensive action agenda" when APEC member economies meet in Osaka.

"Osaka needs to deal with more specificity and greater detail on real issues of trade and investment liberalization," she said earlier this month.

Japan

U.S. Said Pressuring Tokyo Over EAEC Concept

OW1004072895 Tokyo YOMIURI SHIMBUN in Japanese 9 Apr 95 Morning Edition p 5

[FBIS Translated Text] With the Japan Federation of Economic Organizations [Keidanren] about to send its second mission to ASEAN, the United States is maneuvering behind-the-scenes, asking Keidanren and financial circles to carefully deal with the East Asia Economic Caucus (EAEC) concept, which Malaysia Prime Minister Mahathir advocates. This was disclosed on 8 April. The EAEC is aimed at forming an economic council in East Asia by including Japan, China, and the ROK in ASEAN. However, the United States is cautious of the concept saying that it is a regional concept designed to form an economic bloc in Asia. Keidanren and the Japanese Government are in anguish over the "request's" treatment.

According to a financial source, the United States, through the U.S. Embassy in Tokyo, asked financial circle members at various meetings: "What do you think of the EAEC?" The United States asked the question in an attempt to restrain the financial organization from supporting the EAEC concept. Reportedly, Ambassador Mondale directly asked some financial circle members how they would deal with the EAEC.

Keidanren and some financial circle members are voicing their sympathy for the EAEC, saying: "The United States, Canada, and Mexico signed the North American Free Trade Agreement. There is no reason for us not to form a regional economic organization in Asia." It is said that when such an opinion was reported, the United States called the Keidanren executive office and companies, which made the remarks, to protest.

Malaysia and the ASEAN members, who are aware of the U.S. behind-the-scenes maneuvers, are closely observing Japan's stand.

Meanwhile, Keidanren Chairman Shoichiro Toyoda said: "We would like to deal with the issue without upsetting our unity with APEC." He maintains a stand of keeping distance from the EAEC and carefully dealing with the issue.

Tokyo To Skip Meeting

OW1004111995 Tokyo KYODO in English 1055 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Japan will skip a meeting seen as the foundation of a controversial East Asian bloc that has pitted Tokyo between the animosities of Malaysia and the United States, government sources said Monday [10 April].

They said Japan has officially informed host Thailand that Trade Minister Ryutaro Hashimoto will not attend the meeting at month's end seen as setting the stage for the East Asian Economic Caucus (EAEC), pushed by Malaysian Prime Minister Mahathir Mohamad but strongly opposed by the U.S., which would be left out.

Japan's move, which could prompt South Korea to shun the meeting too, will likely result in sharp criticism from Southeast Asian leaders, especially Mahathir, who has already threatened to boycott a November meeting in Osaka of a rival forum that includes the U.S.

Japan had conditioned attendance at the meeting in the Thai resort of Phuket on expanding it to include Australia and New Zealand, but Thailand informed Tokyo by telephone last week that those two nations will not be invited, so Japan backed out, the sources said.

Top officials of Japan's Ministry of International Trade and Industry (MITI) have repeatedly said the meeting, starting April 30, is an unofficial gathering of Association of Southeast Asian Nations (ASEAN) trade ministers and guests and that Japan, although cautious, has not decided whether to join the EAEC.

Hashimoto went out of his way Friday to tell reporters that Thai Deputy Prime Minister Supachai Panichpakdi repeatedly insisted the Phuket meeting would have "absolutely no relation with the EAEC" when he invited Hashimoto last year.

But the meeting's lineup of ASEAN and invited guests Japan, South Korea and China would match the prospective EAEC membership.

Japan had sought the Oceania nations' attendance to make the Phuket meeting look less like an EAEC inauguration, and Yoshihiro Sakamoto, MITI vice minister for international affairs, repeated the call in an early March visit to Bangkok.

The rift spawned by Japan's skipping the meeting could complicate the nation's attempts to bring off smoothly the November summit in Osaka of the Asia-Pacific Economic Cooperation (APEC) forum, especially if Mahathir boycotts, officials fret.

But others downplay the potential damage, with an official of MITI's International Trade Policy Bureau noting that Mahathir also skipped the 1993 Seattle APEC summit to signal his displeasure with Washington.

The outspoken Malaysian leader, for his part, turned up the heat on the EAEC issue Friday by essentially asserting that U.S. opposition to his proposed caucus is racially motivated.

"I hate to suggest that there may be a racial element in this," Mahathir wrote to a Japanese newspaper. "But when we have eliminated all other reasons, we are left with only racial differences."

He defended the proposed EAEC as "merely a consultative forum for East Asian countries" that "has no political or security agenda. It does not bind its members and is not a formally structured organization."

Mahathir pressed Japan to join the EAEC, saying membership would not prevent Tokyo from trading with the U.S. and would "be much more meaningful than a thousand apologies" for Tokyo's World War II aggression.

Malaysian and other ASEAN leaders, stung by Japan's snub at Phuket, are likely to increase criticism of Tokyo as leaning too far toward the U.S. considering its position as an Asian nation, Japanese officials fear.

They said Japan will respond with the offer that EAEC-championed East Asian free trade can be taken up under APEC and other auspices as well as the assertion that an Asian economic cooperation initiative cannot get far without Japan.

Tokyo 'Hesitant' To Attend ASEAN Meeting

OW0804144595 Tokyo SANKEI SHIMBUN in Japanese 7 Apr 95 Morning Edition p 9

[By Noriyuki Hibuchi]

[FBIS Translated Text] At a news conference on 6 April, Tomio Tsutsumi, vice minister for international trade and industry, said: "Japan will have no choice but to decline the invitation to attend the meeting of the Association of Southeast Asian Nations (ASEAN) if Australia and New Zealand do not attend the gathering."

The government is carefully studying the issue of whether it should attend the meeting of economic ministers of six ASEAN nations, Japan, China, and the ROK which will be held in Thailand on 30 April. Although Ryutaro Hashimoto, minister for international trade and industry, was invited, he still has not clarified whether or not he will accept the invitation.

The meeting is attracting attention because the lineup of the countries invited to the meeting strongly reminds other countries of the "EAEC" (East Asian Economic Caucus). The United States sees the EAEC concept as an exclusive economic bloc and is keeping close watch. Showing consideration for the United States and Australia, Japan is hesitant to accept the invitation. Thailand, which will host the meeting, explains that the meeting "has nothing to do with the EAEC." But some people think Thailand is trying to urge Japan, which is assuming a lukewarm attitude, to make a decision.

The Ministry of Foreign Affairs [MOFA], which sees the EAEC as an important diplomatic policy issue, is concerned about the possibility that the Ministry of International Trade and Industry [MITI] may act independently by sending the MITI minister to the meeting. However, MITI is saying that "we are trying to come to an understanding with the MOFA," (according to a senior MITI official). MITI has no plans to live dangerously.

Some MOFA and MITI officials are saying that "the United States is keeping an eye on us in an attempt to discourage us from attending the EAEC so that NAFTA (the North American Free Trade Agreement) will not take exclusive measures." However, Japan's lukewarm attitude toward the EAEC issue, saying that "we are still studying," may create misunderstanding at home and abroad. It seems that Japan is not skillful in using the EAEC issue as a diplomatic card in negotiations with other countries.

Clinton Remarks Anger Hiroshima A-Bomb Victims

OW1004085795 Tokyo KYODO in English 0808 GMT 10 Apr 95

[FBIS Transcribed Text] Hiroshima, April 10 KYODO—About 50 atomic bomb sufferers and residents in Hiroshima staged a sit-in Monday [10 April] in protest against U.S. President Bill Clinton's remarks justifying the U.S. nuclear attack on the city toward the end of World War II.

A citizens group of A-bomb victims in Hiroshima organized the 30-minute sit-in in front of the cenotaph for the victims, calling on the Japanese Government to seek an apology from Clinton for the remarks.

Clinton said the decision to drop the bombs on Hiroshima and Nagasaki in August 1945 was the right one, and that the United States owes no apology to Japan for the attack.

The Hiroshima organization decided to send a protest message to Clinton, demanding an apology and stating the A-bomb victims and the Hiroshima citizens "feel anger from the bottom of their hearts."

Murayama Expresses 'Regret'

OW0804063595 Tokyo KYODO in English 0618 GMT 8 Apr 95

[FBIS Transcribed Text] Tokyo, April 8 KYODO—Prime Minister Tomiichi Murayama on Saturday [8 April] expressed regret over U.S. President Bill Clinton's remarks justifying the atomic bombing of Hiroshima and Nagasaki.

"I would have been happy if attention had been paid to Japanese feelings," Murayama told reporters.

Asked at a meeting of U.S. newspaper editors whether the United States should apologize to Japan for the atomic bombing and whether then President Harry Truman made the right decision, Clinton said, "no, and based on the facts he had before him, yes."

The U.S. atomic bombing of Hiroshima on Aug. 6, 1945 killed more than 140,000 people and destroyed much of the city. Another 70,000 were killed by the bombing of Nagasaki three days later.

Mayor Seeks 'Quiet Dialogue'

OW0804121695 Tokyo KYODO in English 1136 GMT 8 Apr 95

[FBIS Transcribed Text] Nagasaki, April 8 KYODO—Nagasaki Mayor Hitoshi Motoshima, reacting to U.S.

President Bill Clinton's remarks on the 1945 atomic bombing of Hiroshima and Nagasaki, on Saturday [8 April] sought "quiet dialogue" with American people on the episode.

Motoshima denounced atomic weapons as "weapons of evil, threatening the existence of human beings," but said the atomic bombing is not a matter of making or not making an apology.

Clinton said in Dallas, Texas, on Friday the United States does not owe Japan an apology for the atomic bombing shortly before the end of World War II.

Hitoshi Hamasaki, leader of a group collecting witness accounts of the Nagasaki bombing, said he was disappointed by Clinton's statement.

Prime Minister Tomiichi Murayama expressed regret over Clinton's remarks justifying the atomic bombing of the two Japanese cities.

Government Plans No Protest

OW1004104095 Tokyo KYODO in English 1022 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—As atomic bomb sufferers and residents of Hiroshima staged a sit-in Monday [10 April], the Japanese Government said it has no plans to lodge an official protest against U.S. President Bill Clinton's remarks justifying the U.S. nuclear attack on the city toward the end of World War II.

"We're not planning to make official protests," said Vice Foreign Minister Kunihiko Saito. "We have told the U.S. side about Japanese public sentiment many times in the past, so we do not plan to reconvey the sentiment through diplomatic channels."

Top government spokesman Kozo Igarashi said Japan will react "calmly" to Clinton's remarks, saying he does not think it is useful to "strain ties by losing our composure."

"Although 50 years have passed (since the end of World War II), there remain very delicate national sentiments on both sides and we have to take action carefully and calmly," Igarashi told a press conference.

Saito and Igarashi made the comments two days after Clinton said the United States does not owe an apology for the atomic bombs dropped on Hiroshima and Nagasaki in 1945 and the decision by then President Harry Truman to drop the bombs was the right one.

About 50 atomic bomb sufferers and residents in Hiroshima staged the sit-in in front of a cenotaph for the victims in Hiroshima, calling on the Japanese Government to seek an apology from Clinton for the remarks.

Prime Minister Tomiichi Murayama has expressed regret over Clinton's remarks, saying it would have been better if more attention had been paid to "Japanese concern that there be no more Hiroshima or Nagasaki because a weapon that killed so many civilians was used."

At a press conference, Saito said the ministry also wished the U.S. had paid more attention to public sentiment in Japan.

"Japan can never approve of the atomic bombings, which brought great damage," he said. "We want as many people as possible to understand the actual damage caused by the atomic bombings."

Saito said, however, that the U.S. has its own way of regarding the atomic bombings, which differs from the view held in Japan.

Murayama Seeks Normalized Ties With Russia

OW1004120995 Tokyo KYODO in English 1135 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Prime Minister Tomiichi Murayama urged Monday [10 April] the normalization of relations between Japan and Russia through progress in a long-simmering bilateral territorial dispute.

The premier made the pitch in a meeting at his official residence with Yegor Gaydar, a champion of Russia's economic reform campaign and leader of the Democratic Choice Party, Foreign Ministry officials said.

Murayama told Gaydar, a former Russian first deputy premier, that the territorial row over four Russian-held islands off Japan's northernmost main island of Hokkaido should be settled under the principles of law and justice.

The principles are stipulated in a joint statement issued in October 1993 by then Prime Minister Morihiro Hosokawa and Russian President Boris Yeltsin.

Gaydar, who arrived in Japan on Sunday [9 April] for a four-day visit, called for eliminating obstacles to closer bilateral cooperation between the two countries, the officials said.

He also contended Japan and Russia can get closer to each other in terms of political and economic ties, although they have a difficult problem to solve.

As a step toward normalizing relations, Murayama called for increased personnel exchanges between former Japanese residents of the four islands and Russian islanders, and the withdrawal of Russian troops from the islands, as promised by Yeltsin.

As Yeltsin's economic czar, Gaydar carried out a series of economic measures such as price liberalization, beginning in 1992. But he later fell out with his boss and has been critical of the president's military campaign in the breakaway republic of Chechnya.

MOFA To Contact DPRK on Resumption of Talks

OW0904104795 Tokyo MAINICHI SHIMBUN in Japanese 8 Apr 95 Morning Edition p 2

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA] has decided to have informal contact with the Foreign Ministry of the DPRK (North Korea) next week concerning the resumption of the Japan-DPRK diplomatic normalization talks, which have been suspended since November 1992. While the timing for the contact is still under negotiation, the plan is to have counselor-level officials of embassies in Beijing make the contact. Both Japan and the DPRK have their embassies in Beijing.

This will be the first government-level contact since Japan's delegation of three ruling parties and North Korea's Worker Party of Korea [WPK] signed the four parties' agreement recommending the resumption of talks.

In the contact, the officials are expected to exchange views on 1) the time and place for resuming the talks; and 2) topics to be dealt with in the talks. The Japanese officials will conduct the contact on the assumption of that the talks will resume early next month. At the time the diplomatic normalization talks first started in 1991, a preliminary meeting was held. It is possible that this contact will replace a preliminary meeting.

In interpreting the four parties' agreement concerning the three parties' joint declaration (of September 1990), however, the Japanese Government takes the position that the talks are not bound by the three parties' joint declaration, with Kunihiko Saito, MOFA administrative vice minister, saying: "I cannot say the four parties' agreement nullified the three parties' joint declaration. But nor can I say the agreement reaffirmed the declaration." Yet, the WPK's Secretary Kim Yong-sun in a news conference insisted, "The government-level talks to resume henceforth will be a continuation of the talks that opened in accordance with the three parties' joint declaration." Thus, the understandings of Japan and the DPRK on the issue are totally different. Given this situation, should there be an argument on the question of the three parties' joint declaration in the contact next week, then it is possible that no agreement will be reached on the process of resuming the talks.

Kubo Interviewed on Negotiations With DPRK

OW0804144895 Tokyo SANKEI SHIMBUN in Japanese 7 Apr 95 Morning Edition p 2

[Interview with SDPJ Secretary General Wataru Kubo by SANKEI SHIMBUN reporter Tetsuro Hanari on 6 April; place not given; first paragraph is SANKEI SHIMBUN introduction]

[FBIS Translated Text] The coalition delegation's Pyongyang visit late last month produced the "four-party agreement" with the Workers' Party of Korea [WPK], and that paved the way for resuming talks on normalization with the DPRK (North Korea). In connection with this, we interviewed Secretary General Wataru Kubo of the Social Democratic Party of Japan [SDPJ] on 6 April to ask his view on results of the delegation's Pyongyang visit and the future direction of the normalization talks.

[Hanari] How do you evaluate the agreement?

[Kubo] It was remarkable that both sides agreed on a resumption of intergovernment talks that had been suspended for two and half years.

[Hanari] But it appears the negotiations faced rough going...[ellipses as published]

[Kubo] When the coalition delegation arrived in Pyongyang on 28 March, my concern came true—the WPK expressed its stance to attach importance to the 1990 three-party joint declaration (advocating Japanese compensation for postwar damages). However, the DPRK did not stick to that opinion at the risk of ruining the agreement on resuming talks on normalization.

[Hanari] The coalition delegation was set up without consultations with the SDPJ. What is your comment on that?

[Kubo] Vice Chairman Yi Chong-hyok of the WPK Asia-Pacific Peace Committee has been in contact with the Liberal Democratic Party [LDP]. During our Pyongyang visit, he joined the negotiations with us as a member of the WPK delegation. But he did not mention withdraw of the 1990 declaration (reportedly offered to the LDP) at all.

[Hanari] The four-party agreement noted the 1990 declaration is a "historical document." What does that mean?

[Kubo] Japan intends to handle the declaration just as a fact in the past. The DPRK views the declaration as still in effect as a basic agreement between the two nations, and our stances are totally different on this point. Japan wants to open intergovernmental negotiations as a new round of talks, but the DPRK insisted on a resumption of the previous talks suspended after the eighth round. I offered a clause that "the ninth round will be started anew," but DPRK negotiators insisted "anew" must be taken out. We once gave up the agreement, but "anew" was left as it was.

[Hanari] What development took place on the focal point of "postwar compensations" advocated in the three-party declaration?

[Kubo] Regarding war compensations, we cannot ignore a precedence established with the ROK. I think the DPRK's claim that "no compensation or apology was made by Japan in the last half century" is reasonable. But whether or not it is worth formal compensations should be discussed in government-level negotiations.

[Hanari] Did you discuss Japan's rice exports as food aid?

[Kubo] No, we did not. That may become a topic when government-level talks are resumed, and the two nations built up mutual confidence.

[Hanari] When will the talks on normalization be resumed?

[Kubo] It depends greatly on relations among Japan, the United States, and the ROK as well as those between the United States and the DPRK. The full resumption of bilateral negotiations will be long after 21 April (the deadline for a U.S.-DPRK contract for granting light-water reactors).

[Hanari] Do you think Mr. Kim Chong-il is taking over the ruling power of the DPRK smoothly?

[Kubo] The top leader of a nation is supposed to meet high- level delegations dispatched by foreign countries. While he is unlikely to make public appearances for a year while he is in mourning, the one-year absence from the international political scene is unbelievable in a time of internationalization. However, Secretary Kim Yong-sun and other WPK leaders said, "we will continue our efforts in a united way to construct Korean-style socialism under Secretary Kim Chong-il," and it is certain the DPRK has Kim Chong-il as the successor of the late President Kim Il-song.

Canadian Minister on High Yen Solution

OW1004071795 Tokyo KYODO in English 0643 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Japan must put its own economic house in order if it wants to halt the yen's record surge against the U.S. dollar and other currencies, Canadian Finance Minister Paul Martin said Monday [10 April].

Martin told reporters after an address to Canadian and Japanese businesspeople in Tokyo that Japan must "actively pursue deregulation, pay greater attention to consumer demand and examine the discount rate" if it wants to halt the yen's climb.

"The solution (to the strong yen) lies within Japan," he said.

He added other countries too must keep their economic houses in order but reiterated that Japan cannot expect outside help if it does not address the root economic causes of the strong yen at home.

While refusing to link Japan's apparent go-slow position on economic deregulation and free trade within the Asia-Pacific Economic Cooperation (APEC) forum to the day's rapid surge in the yen, Martin did point out that his own position on APEC is for an "aggressive agenda" that will bring about freedom of capital and investment as quickly as possible.

Martin said volatility in currency markets will surely be a topic at the Halifax Summit of the Group of Seven industrialized countries this summer in Canada, but intimated that direct, coordinated action simply to address the high-yen impact in Japan will not be the main focus.

He suggested that greater transparency among countries, better financial reporting rules and more attention to balance of payments fundamentals will all go far toward returning currency markets to a less volatile state.

On the Canadian dollar, Martin expressed no direct fears that his country's currency touched a record low against the yen Monday, but did vow to "maintain the integrity of our currency."

He admitted that the value of the Canadian dollar against the U.S. dollar is of far more importance to Canada, "given the volume of trade between our two countries," than against the yen, but added he wants to keep the Canadian dollar viable in all markets.

With an aggressive deficit reduction plan in place and strong growth in Canada last year and projected for this year, Martin said he believes Canada's dollar will remain attractive.

"(And) that is most important for every country's currency," he said.

U.S. Urged To Take 'Positive Stance' on Dollar

OW1004033095 Tokyo KYODO in English 0318 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Finance Minister Masayoshi Takemura on Monday [10 April] called upon the United States to demonstrate its intention more clearly to arrest the dollar's free fall in foreign exchange dealings.

Takemura said in an opening speech addressed to a two-day Asia securities forum, "We have been taking the yen's rapid appreciation seriously since early March, but there's no reason (for the yen's rise) on the side of Japan...Yet, the U.S. has not showed a clear positive stance."

In Tokyo, the dollar continued setting fresh global lows one after another, falling to the 80 yen level for the first time ever.

Takemura said, "We have a sense of crisis about the yen's quick rise, which does not reflect economic fundamentals."

The government will work out an emergency pump-priming package of fiscal and monetary measures, including those to counter the yen's surge, as early as possible during the week.

"We will do our best to take every possible fiscal and monetary measure in an appropriate and agile manner," Takemura said, indirectly asking the Bank of Japan to cut the official discount rate.

The central bank is facing growing pressure to cut its key rate, which is already at a record low of 1.75 percent per annum.

Earlier in the day, Takemura called for a fundamental review of the global foreign exchange rate system with a view to stabilizing the currency markets.

"What global currencies ought to be is under serious concern...The G-7 (major industrialized nations) should pay attention as to how the global currency system ought to be," Takemura said.

Takemura also said the emergency package will incorporate short-, medium- and long-term measures that should put the Japanese economy back on track.

The package would also help reduce Japan's trade surplus, Takemura said.

Japan needs economic restructuring, especially a switch to industries with higher added value, and the government intends to support efforts toward that end, he said.

EPA Ordered To Draw Up Economic Package

OW1004041595 Tokyo KYODO in English 0409 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Prime Minister Tomiichi Murayama ordered the government's chief economic planner Monday [10 April] to work out a pump-priming package on Friday in an attempt to arrest the yen's continued surge against the U.S. dollar and ensure the nation's economic recovery, government officials said.

Murayama gave the instruction to Masahiko Komura, director general of the Economic Planning Agency (EPA).

The government is scheduled to convene a special meeting of cabinet ministers in charge of economic affairs on Tuesday to discuss the package.

Chief Cabinet Secretary Kozo Igarashi told reporters earlier Monday that the package will include specific and comprehensive measures—such as the front-loading of public works spending, increased aid to smaller industries and a reduction in the securities trading tax to revitalize the slumping stock market.

Commenting on the yen's current strength against the dollar and other major world currencies, Igarashi said, "it is regrettable the yen is fluctuating on speculative moves at levels where the real economic conditions are not reflected."

EPA Director General Komura later said the government will announce the comprehensive pump-priming package on Friday in a bid to halt the yen's advance and help the nation overcome a prolonged economic malaise.

"We are doing our utmost to craft a package at a meeting of the cabinet ministers concerned," Komura told reporters after he was ordered by Murayama to draw up a sweeping economic package.

The planned package will comprise powerful measures to cap the yen's unabated strength against the dollar, steps to help the nation's small and medium-sized enterprises that have been hard hit by the yen's sharp appreciation and reform of the nation's economic structure.

Murayama instructed Komura to draw up the economy-spurring package this week so as to ensure the nation's emerging economic recovery, spur domestic demand over the medium term and revamp the economic structure as a whole.

Saying he does not expect the planned package to include monetary measures, the EPA chief maintained that a cut in the official discount rate is exclusively under the jurisdiction of the Bank of Japan (BOJ).

BOJ Governor Yasuo Matsushita will attend a meeting of the economic ministers scheduled for Tuesday, Komura added.

He said the soon-to-be-unveiled package will aim to arrest the yen's continued climb to record levels against the dollar and lift the nation out of its prolonged economic slump.

To Include Medium-Sized Firms

OW1004065295 Tokyo KYODO in English 0614 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—The government's promised measures to curb the soaring yen will include import promotion and steps to help medium-sized companies, Japan's top trade bureaucrat said Monday [10 April].

The comprehensive package, which Prime Minister Tomiichi Murayama ordered his cabinet to compile this week, will also include measures to boost domestic demand and revise the industrial structure of Japan's economy, said Tomio Tsutsumi, vice minister of international trade and industry.

In a regularly scheduled news conference, Tsutsumi did not offer details, however, saying they remain to be worked out.

The top bureaucrat at the Ministry of International Trade and Industry said he could not compare the cost of the coming package to the scale of spending on previous pump-priming measures.

On the foreign exchange turmoil that prompted the new measures, which saw the dollar plummet more than 3 yen at one point Monday morning to the threshold of the 79 yen level, Tsutsumi said the market itself recognizes that the yen has climbed too far.

Citing the dollar's bounce back from the bottom of the 80 yen zone, he said, "in a sense, for the market the yen has gotten too high."

Tsutsumi insisted the currency gyrations reflect a weak dollar rather than a strong yen, although he acknowledged that the morning's postwar low by the German mark against the yen indicates the Japanese currency's strength is also a factor.

Takemura Urges Review of Exchange System

OW1004020895 Tokyo KYODO in English 0202 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Finance Minister Masayoshi Takemura on Monday [10 April] called for a "fundamental review" of the global exchange rate system, as the dollar kept plunging to ever new lows against the yen.

Takemura issued the appeal minutes after the dollar plummeted to the 82 yen level on the Tokyo foreign exchange market for the first time under the postwar currency system.

The finance minister also said the Japanese currency's appreciation of more than 10 yen against the dollar from the onset of March is very serious and represents a crisis for the Japanese economy.

He vowed to push official measures to prevent the dollar's plunge from derailing Japan's fledgling economic recovery.

In a related development, a Bank of Japan source said the government should adopt a comprehensive package of measures, including steps to cut Japan's trade surplus, to counter the yen's surge.

The central bank is under growing pressure to cut its official discount rate—already at a record low of 1.75 percent per annum.

Turning to the problem of a controversial government-sponsored bailout of two failed credit unions, Takemura called on the new Tokyo governor-elect, Yukio Aoshima, to see that the Tokyo Metropolitan Government joins the bailout.

Aoshima was elected to the governorship Sunday after campaigning on the platform of opposing the metropolitan government's participation in the bailout scheme, which called for it, the Bank of Japan, credit unions and commercial banks to stump up funds.

Takemura said the metropolitan government is partially responsible for the downfall of the two credit unions, as it was in charge of supervising them.

Saito Opposes Surplus Cut To Arrest Yen Rise

OW1004104595 Tokyo KYODO in English 0936 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Vice Finance Minister Jiro Saito on Monday [10 April] expressed opposition to setting a numerical target for a cut in Japan's trade surplus as part of efforts to arrest the yen's unabated surge against the dollar.

"Basically, the government's position is that such a target is undesirable," Saito said at a press conference.

Some within the Liberal Democratic Party (LDP), the largest of the ruling coalition parties, have reportedly called for such a target.

While saying he has never heard of such a proposal, Saito said the finance ministry would study the idea if proposed, but the discussion would not necessarily result in a change of opinion on the part of the government.

Early Monday, the dollar fluctuated widely by more than 3 yen, momentarily hitting a new global low of 80.15 yen.

Saito described the day's dollar-yen moves as "rapid ups and downs in a seesaw game."

Saito reiterated that Japan has been in close contact with other major nations over the currency issue, and said each government ministry and agency would make every effort to counter the yen's appreciation, as instructed by Prime Minister Tomiichi Murayama.

On the future of the government-led scheme to bail out two failed credit unions, Saito said the ministry will await developments of a study by the new Tokyo governor before taking appropriate action.

After being voted in, Tokyo Governor-Elect Yukio Aoshima confirmed his administration would oppose the bailout scheme which calls for the Tokyo metropolitan government to supply 30 billion yen in low-interest loans to a new vehicle to dispose of bad loans left by the two credit unions.

"I want a little more time to see the new governor's response," Saito said.

Saito declined to comment on whether the victories of independents in the big gubernatorial races showed public distrust or criticism of bureaucrats.

LDP To Draw Up Plan To Fight Surging Yen

OW0904112895 Tokyo KYODO in English 0943 GMT 9 Apr 95

[FBIS Transcribed Text] Tokyo, April 9 KYODO—The dominant ruling coalition partner Liberal Democratic Party (LDP) decided Sunday [9 April] to draw up its own plan to tackle the yen's unabated appreciation and a stock market slump for inclusion in a government package to be unveiled this week for the same purpose.

The plan will call for reduction in Japan's chronic trade surplus, cited as a key factor in the yen's record-shattering rise against the U.S. dollar, LDP officials said.

It will also urge further liberalization of the domestic financial market aimed at greater use of the yen in trade and financial deals so as to reduce foreign exchange risks, the officials said.

The LDP hopes to complete the plan by Wednesday and coordinate with the other two coalition partners—the Social Democratic Party [Social Democratic Party of Japan] and New Party Sakigake [Harbinger]—before urging the government to have its proposals included in an emergency government program to be released Friday to deal with the currency and stock market problems, they said.

Among measures planned by the party are relaxation of import curbs designed to boost domestic demand, compilation of a large- scale supplementary budget and temporary suspension of taxation on securities transactions.

The LDP plan was decided during a Sunday meeting of Koichi Kato, chairman of the party's Policy Affairs Research Council, and several other party policy planners.

Some participants proposed setting a numerical target for reducing the trade surplus, running at some 130 billion dollars on an annual basis, the officials said.

Others called for increased government borrowing through bond offerings to finance greater public works spending, they added.

On Friday, the Japanese currency soared to yet another record high of 83.60 yen to the dollar in New York interbank trading, triggering a chorus of calls from senior government officials and business leaders for detailed action to help arrest the yen's rise.

Debating Surplus-Cut

OW1004135795 Tokyo KYODO in English 1308 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Debate is heating up over a controversial idea to set numerical targets for cutting Japan's trade surplus as a way to stem the yen's appreciation, officials of the Liberal Democratic Party (LDP) said Monday [10 April].

The LDP, the largest force in the three-party coalition government of Prime Minister Tomiichi Murayama, is now considering the proposal, which has repeatedly been sought by the U.S. in bilateral talks, for a package to be worked out by the ruling coalition to halt the yen's rise.

Japan has consistently refused to accept such a target on the grounds that it would lead to managed trade.

But with Japan's trade surplus of 130 billion dollars being cited as one of the major factors behind the yen's steep appreciation, some LDP politicians are starting to warm to the idea of setting a target.

At an LDP meeting Monday, some participants said a goal to cut Japan's trade surplus to 50 billion yen in five years should be included in the party's countermeasures, party officials said.

But other members at the meeting were cautious about the proposal, pointing out that the target would not produce intended effects on the currency market unless concrete steps to cut the surplus were offered, the officials said.

The coalition Friday decided to speed up efforts to put in place an emergency package of measures to halt the yen's rise. A project team is expected to announce its proposals Thursday.

Automakers 'Trying Hard' To Combat Strong Yen

OW0804045295 Tokyo TOKYO SHIMBUN in Japanese 5 Apr 95 Morning Edition p 7

[FBIS Translated Text] On 4 April, the yen rate fell below the 86 yen to the dollar level at the Tokyo Foreign Exchange Market. Automakers, electric appliance manufacturers, and other export industries are trying hard to reinforce their resistance to the exchange rate changes by increasing overseas production and parts imports. However, some quarters in the auto industry are unable to take effective measures to cope with the yen's too rapid surge.

Manufacturers of computer-related equipment are hastily increasing their procurement of imported parts. Noriaki Nakatsuji, president of Shimane Fujitsu Ltd., Fujitsu Ltd.'s main personal computer plant, said: "We currently procure 80 percent of our parts from the overseas market. The ratio of foreign-made parts is over 90 percent for inexpensive models."

NEC Corporation increased its ratio of foreign-made parts from 30 percent in 1994, to 50 percent this year. In addition, NEC will soon start importing inexpensive models assembled at its subsidiary plant in Hong Kong.

In the home electric appliance industry, Hitachi Ltd. completely shifted production of its refrigerator compressors to its plant in Thailand last January. According to Hitachi's business report for the first quarter of 1995, the company depends on exports for 20 percent of its total sales, but its dependence on imports still remains at 15 percent. Hitachi intends to balance imports with exports at about 20 percent before the end of FY96 to eliminate exchange risks.

Automakers said: "Another increase in car prices would be necessary if the yen remains below the 90 yen to the dollar level" (as noted by a Toyota Motor Corporation executive). Most automakers are considering price hikes as an immediate remedy to the yen's surge.

This month, Mazda Motor Corporation raised the prices of its U.S. models by about 2.2 percent to cope with the exchange rates below the 90 yen to the dollar level.

However, Toyota's price hike in January remained at only 0.9 percent, and Nissan's March price increase was 0.8 percent. Further price hikes are difficult because prices of Japanese cars are already 10 percent higher than American cars of the same class. Drastic price increases will certainly weaken the competitive power of Japanese cars.

On the other hand, the rate of foreign-made parts used by Toyota and Nissan still make up less than 10 percent of their total parts, and a "decline in the prices of foreign-made parts does not benefit us" (as noted by a Toyota official).

Under such circumstances, automakers are likely to prepare for higher yen rates in forming their business plans. In 1994, their in-house yen-dollar ratio was 100 yen to the dollar; however, they were forced to increase the rate to "95 yen this year" (as noted by a major automaker). They will have to further expand production in overseas plants and imports of parts even though those measures adversely affect their subsidiaries and contractors.

'News Analysis' Examines BOJ's Position

OW0804105595 Tokyo KYODO in English 1031 GMT 8 Apr 95

["News Analysis": "BOJ Seen Isolated Amid Mounting Calls for Rate Cut"]

[FBIS Transcribed Text] Tokyo, April 8 KYODO—With the yen surging into uncharted territory, coupled with increasing calls for an immediate discount rate cut by government and business leaders, the Bank of Japan (BOJ) appears increasingly isolated.

The yen has shown unbridled strength against the U.S. dollar in recent weeks, which in turn has dramatically pulled down domestic stock prices—a phenomenon creating growing concern that the budding economic recovery could be undermined.

But the Bank of Japan has not left the situation completely unattended.

The central bank started guiding down short-term interest rates March 31 to encourage an economic comeback. But the action backfired, arousing strong disappointment among financial market players who responded with a renewed surge of the yen.

Many cabinet ministers credited the fresh bout of yen buying to the Bank of Japan. Business leaders joined a chorus of criticism.

A senior BOJ official said, "we've hardly ever faced such an unconcealed attack."

A tug-of-war over the discount rate cut between the Bank of Japan and the Finance Ministry intensified late last month when Finance Minister Masayoshi Takemura urged a reduction in the key rate, currently at a record low 1.75 percent per annum.

Other cabinet ministers in charge of economic affairs echoed Takemura's view, voicing strong discontent with the BOJ's reluctance to slash the key rate.

But some analysts say it is "unfair" to attribute the current financial uncertainties only to the Bank of Japan.

A medium-ranking official of the Finance Ministry says his ministry can do little to stem the high-flying yen through fresh fiscal measures. The ministry intends to minimize an increase in public works spending because of fiscal restraints.

The ministry apparently wants to fend off criticism against the government for its failure to stabilize currency movements, taking account of local election campaigns, analysts observe.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), also sought an early discount rate cut, noting that the BOJ's decision to nudge down the short-term rate was "not very easy to understand."

The Bank of Japan made the decision a day after the Deutsche Bundesbank announced a discount rate reduction.

BOJ officials said, however, that the action was not intended only to restore stability to currency markets but was prompted by the risk of an economic downturn.

The BOJ's cautious approach, analysts say, derives from its view that the asset inflation-abetted bubble economy of the 1980s was caused partly by the central bank's credit easing for the primary purpose of arresting the yen's rise.

BOJ sources said the central bank had hoped that lower short-term market rates would lead to a reduction of long- and short-term prime lending rates, thus having the same effect of stimulating the economy as a half percentage point discount rate cut.

As BOJ Governor Yasuo Matsushita put it, the official discount rate still signals the BOJ's monetary stance although the era of regulated interest rates is over.

But given that the discount rate stands at a record low 1.75 percent, there is only limited room for the Bank of Japan to cut the key rate—only two times at the most, analysts say.

The nation's financial system is struggling under a heavy burden of nonperforming loans at financial institutions following the collapse of the economic bubble.

Hence, the Bank of Japan may wish to secure a discount rate cut as its last trump card.

The yen changed hands at about 90 to the dollar when the BOJ decided to drive down short-term rates on March 31. The Japanese currency has since gained more than 5 yen to the dollar.

The BOJ is currently concerned about feeble personal consumption, which may be interpreted as an indication that the employment situation is deteriorating, particularly among smaller businesses.

Economists warn that the national economy could lose its upward momentum if business confidence among major manufacturers is hurt by the soaring yen.

The Bank of Japan is expected to come under stronger pressure in the days ahead because the government wants to see a discount rate cut included in a pump-priming package to be worked out as early as next week, analysts say.

In order to underpin the threatened economic recovery, the central bank may slash the key rate earlier than expected, they say.

Economic Leaders Discuss Stemming High Yen

OW1004095195 Tokyo FNN Television Network in Japanese 2238 GMT 8 Apr 95

[FBIS Editorial Report] Tokyo FNN Television Network in Japanese at 2238 GMT on 8 April, in its "News 2001" program, carries a 19-minute roundtable discussion with Masayoshi Komura, director general of the Economic Planning Agency; Richard (Koo), senior analyst of Nomura Research Institute; Kenji Mizutani, president of Tokai Research Institute; Yoshimi Ishikawa, writer; and Kenichi Takemura, political commentator, at the FNN studio in Tokyo. Komura joins discussion via remote hookup from Tokuyama, Yamaguchi Prefecture. Yuji Kuroiwa and Junko Hamada moderate the discussion.

At 2238 GMT, Kuroiwa opens the discussion by asking Komura how high he thinks the yen will rise. Komura says: "I share the view of the German and U.S. monetary authorities that the recent yen appreciation does not reflect economic fundamentals. In the long run, I believe the dollar's value will recover." Mizutani says that the yen's ascent against the dollar is likely to continue, noting that not only speculative buying, but also consumption buying [jitsuju suji] of the yen has been observed on the market lately.

Concerning the financial policy of the Bank of Japan (BOJ), which has been criticized for failing to cut its official discount rate, Komura says: "At the moment, it is useless to blame the BOJ for not cutting its official discount rate. I think the BOJ's efforts to drive the short-term interest rate [tanki kinri] lower will have gradual but desired effects on the present situation." Mizutani also highly evaluates BOJ efforts, saying it is unfair to attribute the current financial turmoil only to the BOJ. He then says that he is now concerned the most about the moves made by Asian countries' central banks, which have been selling the dollar on the market in Tokyo to buy yen. He urges Japan pay a lot of attention to their moves to deal with this issue.

Takemura criticizes the BOJ for vainly spending over 10 trillion yen over 10 years to maintain the dollar's value, and says: "We should complain about the great loss inflicted on people by the BOJ through its efforts to secure the dollar's value. The BOJ should take other steps to stabilize the currency market."

Kuroiwa asks Komura about Finance Minister Masayoshi Takemura's remarks wishing the BOJ would cut the official discount rate. Komura says: "Although some people have criticized Minister Takemura for making irresponsible remarks, I think he assumes the proper attitude on this issue."

At 2251 GMT, Kuroiwa changes the topic to the government's emergency program, which will be released the week of 9 April, to stem the yen's surge. Komura declines to explain the program's details, saying: "We, the cabinet members, have agreed to refrain from commenting on the package's particulars before we implement it. However, we promise to carry it out in the near future."

In response to a question of whether or not the government will continue to implement the special tax reduction this fiscal year, Komura says tax reduction should be decided in line with the future economic situation. Asked about effective measures to improve the situation, (Koo) says: "If Japan shows its determination to change its economic structure, the present situation will immediately turn for the better. However, the economic circles have been deeply disappointed with the recently released five-year deregulation program, and has become reluctant to make efforts to change its structure. This is why the yen's value keeps rising."

Asked about his resolution to stem the yen's recent appreciation, Komura says: "Basically, the United States is responsible for arresting the dollar's drop. The U.S. Government has finally begun to positively tackle this issue. The Japanese Government will also do its utmost in implementing the financial package in the near future."

The discussion ends at 2256 GMT.

Think Tank Urges 1 Point Cut in Discount Rate

OW1004090895 Tokyo KYODO in English 0823 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—A private research group Monday [10 April] proposed a 1 percentage point cut in Japan's official discount rate to stem the yen's appreciation on the foreign exchange market.

The Japan Research Institute, a unit of Sumitomo Bank, made the proposal in a report, saying Japan's economic recovery will stall if the yen's appreciation and the stock market slump become prolonged.

The discount rate, the Bank of Japan's base lending rate, is currently at a record low of 1.75 percent per annum.

The institute said short-term measures to deal with the strong yen should include additional income tax cuts worth 2 trillion yen and extra issues of construction bonds to promote reconstruction of the region devastated by the Jan. 17 great Hanshin earthquake, as well as a reduction in the discount rate.

In addition, the institute said, the government should promote medium-term measures such as drastic deregulation and market opening with an emphasis on agriculture, distribution, telecommunications and housing.

It also called for a 40 percent cut in public utilities charges to the levels in the United States and Britain, as well as a front-loading of public works spending, especially for installing a new type of telecom system.

BOJ To Decide on Rate Cut Week of 16 Apr

OW0804083695 Tokyo KYODO in English 0822 GMT 8 Apr 95

[FBIS Transcribed Text] Tokyo, April 8 KYODO—Faced with the dollar's free fall and the consequent drop in stock prices, the Bank of Japan (BOJ) will decide in the week of April 16 whether or not to lower its key lending rate, banking sources said Saturday [8 April].

The central bank will make a final decision on its credit policy after closely assessing the nation's economic trends on the basis of regional economic reports by BOJ branch managers during their two-day meeting in Tokyo from April 17, the sources said.

The move is apparently designed to address an emerging risk of economic setback following the yen's unabated ascent against the dollar. The risk was already confirmed by BOJ chief Yasuo Matsushita during his latest press conference.

In view of the seriousness surrounding the currency market, which has faced repeated record-breaking yen surges over the past week, the BOJ may cut its official discount rate by a marked 0.75 percentage point, rather than just a half point, from 1.75 percent, an already record low, the sources said.

And the step could be taken earlier than expected, probably in line with the formulation of an emergency government pump-priming package to cope with the strong yen, expected to be released next week, the sources said.

The Finance Ministry recently asked the BOJ to ease its credit grip further to combat the soaring yen. The request was unusual in that the ministry earlier said discount rate policy was to be decided exclusively by the central bank.

Rather than responding to the demand, the BOJ opted to drive the key short-term money rate significantly lower. The policy was taken as a signal that the BOJ will not budge on the discount rate, putting further upward pressure on the Japanese currency.

Earlier this week, Matsushita said the Japanese economy is still on a moderate recovery track but the pace has been slowed by the strong yen.

Business confidence further worsened at nonmanufacturers and export-oriented small companies, whose recovery had already been sluggish following the free-falling dollar.

Personal spending lacks the vigor to put the economy on a full-fledged recovery track, except for the brisk replacement demand for durable goods.

The BOJ's new policy on money market rates last week led for the first time to a reduction below the 1.75 percent discount rate in the unsecured overnight call rate.

Some commercial banks have lowered the short-term prime lending rate by 0.25 percentage point to 2.75 percent, slipping below 3 percent for the first time.

Long-term prime rates are also expected to be lowered by 0.9 point to 3.6 percent next week.

But the BOJ judged that these efforts alone are not sufficient to counter the escalation of the yen, the banking sources said.

Despite the downtrend in money market rates, the dollar has kept sinking against the yen, scoring new record lows in each of the past several days.

Whether or not the BOJ will reduce its key rate is unclear, the sources said, explaining the bank apparently does not want to be seen taking action under pressure from the finance ministry.

At the very least there must be changes in economic trends for the BOJ to move, said the sources, citing the importance of the coming meeting of BOJ branch managers.

The BOJ also thinks Japan's rate cut would not have the intended effect unless the United States shows a strong commitment to arrest the yen surge, the sources said.

Industrial Bank To Cut Long-Term Prime Rate

OW1004104395 Tokyo KYODO in English 0932 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—The Industrial Bank of Japan (IBJ) said Monday [10 April] it will lower its long-term prime lending rate by 0.9 percentage point to 3.6 percent per annum effective Wednesday.

The rate, applying to loans for the bank's most creditworthy customers, will be the lowest since December

1993 when it stood at 3.5 percent, and the margin of the cut will be the sharpest on record, the IBJ said.

It said the cut reflects a sharp fall in the circulation yield on IBJ debentures issued in March, following a drop in market interest rates.

The coupon on five-year interest-bearing debentures for corporate customers, to be offered for subscription on Wednesday, will be cut by 0.9 point to 2.7 percent, the IBJ said.

The coupon on the IBJ's interest-bearing debentures for individual customers, to be offered for subscription on Thursday, will be lowered by 0.6 point to 2.3 percent.

Mitsubishi, Tokai To Cut Housing Loan Rates

OW1004104795 Tokyo KYODO in English 0956 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—Mitsubishi Bank and Tokai Bank said Monday [10 April] they will lower their market-linked housing loan rates by 0.25 percentage point to 3.75 percent per annum, effective May 1.

The cut will follow a reduction in the short-term prime rates Mitsubishi and Tokai will carry out Wednesday.

Sumitomo Bank announced a similar decision earlier in the day. Other city banks, or major commercial banks headquartered in big cities, are expected to follow suit, banking sources said.

Most city banks review their short-term prime-linked housing loan rates for new borrowers on March 1 and Sept. 1 every year and begin applying new rates on April 1 and Oct. 1.

And if the short-term prime rate changes more than 0.5 percentage point between the review dates, the banks change their loan rates accordingly.

As the banks decided to cut their short-term prime rate by 0.25 percentage point starting this week, their housing loan rates would not be lowered until Oct. 1 if their review rules are applied.

But Sumitomo, Mitsubishi and Tokai decided to make an exception and cut their housing loan rates due to criticism that banks are refusing to lower loan rates, the sources said.

Independent Wins Stun Main Political Parties

OW0904150995 Tokyo KYODO in English 1451 GMT 9 Apr 95

[FBIS Transcribed Text] Tokyo, April 9 KYODO—The victories of independent candidates in Sunday's [9 April] Tokyo and Osaka gubernatorial elections shocked the main political parties in their reflection of voter disillusion with the current political scene.

The No. 2 man in Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ], Secretary General Wataru Kubo, said political parties placed priority on "talks" in selecting candidates and "ainori", or the backing of a common candidate, had blurred contentious policy issues.

The victories of independent candidates in the Tokyo and Osaka races gave the existing political parties a "subject" to ponder in their moves toward further political realignment, Kubo said.

Independent TV personality-turned politician Yukio Aoshima won the Tokyo governorship race, defeating seven other contenders, while Knock Yokoyama, a TV comedian-turned legislator, grabbed victory in the Osaka gubernatorial race, defeating four other candidates.

Aoshima's victory also discouraged the Liberal Democratic Party (LDP), the SDP's ally in the ruling coalition.

A senior party official expressed his astonishment and described voters who do not support any political party as "a monster-like group."

Senior party member and former Posts and Telecommunications Minister Junichiro Koizumi said, "all political parties were criticized."

The LDP, along with the SDP and the two parties' other coalition partner New Party Sakigake [Harbinger], backed former Chief Cabinet Secretary Nobuo Ishihara.

In the Osaka race, Yokoyama claimed victory over strong contender Takuya Hirano, a former vice minister of the Science and Technology Agency backed by the LDP, the SDP, Sakigake and Shinshinto [New Frontier Party], a primary opposition party.

Yukio Hatoyama, acting secretary general of Sakigake, said, "Sakigake has only two years of history but voters regarded it as one of the longstanding political parties."

Shinshinto also accepted Aoshima's and Yokoyama's triumphs as suggesting that voters rejected the existing political parties.

Kazuo Shii, chief of the secretariat of the Japanese Communist Party (JCP), said Aoshima's and Yokoyama's wins are significant because the results reflected voters' disillusion with the current political situation, in which all the main political parties except the JCP are basically alike.

Business Leaders 'Shocked'

OW0904145495 Tokyo KYODO in English 1416 GMT 9 Apr 95

[FBIS Transcribed Text] Tokyo, April 9 KYODO—Sunday's [9 April] surprise wins by independent candidates in the Tokyo and Osaka gubernatorial races shocked Japan's business leaders.

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), called the victory of former television personality Yukio Aoshima as new Tokyo governor a "revolution."

The Tokyo poll result represented a backlash by voters disillusioned with established political parties, Nagano said.

The outcome may suggest there is a crisis in Japan's parliamentary democracy, said Nagano, saying Aoshima won despite the fact that he staged no campaigns such as rallies and stump tours.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), urged political parties to take the outcome seriously and make efforts to restore public trust.

Kosaku Inaba, head of the Japan Chamber of Commerce and Industry, hoped Aoshima would continue the work of outgoing Tokyo Gov. Shunichi Suzuki.

Inaba urged Aoshima not to abandon the massive development program on proclaimed land along Tokyo Bay, which the election winner has pledged to review.

In Osaka, business leaders are puzzling over how the governor- elect, former comedian Knock Yokoyama, will deal with local business matters.

Masafumi Onishi, head of the Osaka Chamber of Commerce and Industry, said he wants Yokoyama to continue to boost business and continue programs being promoted by the Osaka prefectural authorities.

The local business community and current Osaka Gov. Kazuo Nakagawa have cooperated well, Onishi said. Nakagawa gave up his candidacy for another term following a financial scandal involving his former aides.

Tetsuro Kawakami, head of the Kansai Economic Federation, urged Yokoyama to direct his attention to the planned expansion of Kansai International Airport and annual meetings of the Asia-Pacific Economic Cooperation (APEC) forum scheduled for November in Osaka.

LDP, SDPJ Suffer Setbacks

OW0904233995 Tokyo KYODO in English 2306 GMT 9 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—The Liberal Democratic Party (LDP) and the Social Democratic Party (SDP), both partners of the ruling coalition of Prime Minister Tomiichi Murayama, suffered setbacks in Sunday's [9 April] nationwide prefectural assembly elections.

With all votes counted in 43 prefectural assembly polls, 1,275 LDP candidates won while 277 SDP candidates won. The figures are record lows for both parties since they were formed in 1955.

In the previous nationwide polls four years ago, the LDP captured 1,502 seats while the SDP won 333 seats.

The largest opposition in the diet, Shinshinto (New Frontier Party), garnered 140 seats. The party held 91 seats before Sunday's elections.

New Party Sakigake, another coalition partner, won nine seats, compared with the Komei Party's 148 and the Japanese Communist Party's 91.

A total of 587 independent candidates won seats, the highest since 1955. A total of 2,607 seats were contested in the polls.

KYODO Analyzes Results

OW0904154895 Tokyo KYODO in English 1518 GMT 9 Apr 95

["News Analysis" by Takehiko Kajita: "Japanese Poll Results Reveal Voter Distrust"]

[FBIS Transcribed Text] Tokyo, April 9 KYODO—The results of Sunday's [9 April] gubernatorial races in 13 prefectures attested to Japanese voters' increasing distrust of the established political parties, shedding little light on the future course of the nation's political realignment.

In Tokyo, writer-turned politician Yukio Aoshima, 62, trounced former top bureaucrat Nobuo Ishihara, 68, who was backed by a broad range of political parties, including the three governing coalition parties—the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and New Party Sakigake [Harbinger]—and part of the main opposition Shinshinto (New Frontier Party).

Another highlight of Sunday's governorship elections in 13 of 47 prefectures was the triumph of comedian-turned politician Knock Yokoyama, 63, who defeated Takuya Hirano, 60, also a former elite bureaucrat supported by major ruling and opposition parties.

The polls in Tokyo and Osaka were largely seen as de facto battles between candidates with broad political backing and ones supported by people frustrated with existing parties.

Initially, Ishihara and Hirano were expected to gain the top prefectural posts as they were guaranteed organized votes.

But Aoshima and Yokoyama, whose real name is Isamu Yamada, successfully capitalized on voter disillusion with the practice of several political parties banding together to back a single candidate, termed "ainori" or sharing a ride.

The victories of Aoshima and Yokoyama indicate the power of voters disgusted with the politics of established [passage indistinct] this time those who are interested in politics went to the polls. I am certain this will shepherd the nation's democracy in the direction of a little bit more stability," he said.

Both the ruling and opposition camps will have to reconsider their strategies for the House of Councillors election scheduled for July and the general election expected to be contested by the end of the year or early next year.

The results of Sunday's gubernatorial polls were a blow, if not immediately fatal, to the administration of Prime Minister Tomiichi Murayama. Murayama is also SDP chairman.

For Shinshinto, meanwhile, the victories of candidates backed by the party over ones supported by the LDP, the dominant force in the tripartite coalition, in Hokkaido, Iwate and Mie Prefectures came as a big relief.

Eager to wrest the reins of government, Shinshinto managed to save face, though its candidate lost in a face-off election with an LDP-backed competitor, incumbent Gov. Kikuji Sasaki, in Akita Prefecture.

Since its inauguration last December through the merger of most major opposition forces, Shinshinto, the second largest party in Japan, has been less conspicuous than expected due to a series of historically big social events and an internal dispute.

Sunday's results are expected to prolong Shinshinto's life for a while, but its survival beyond the upper house poll and the next general election is not regarded as guaranteed.

Results of Lower House Election Predicted

OW1004143195 Tokyo KYODO in English 1300 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 KYODO—The tripartite ruling coalition is likely to secure a majority in the House of Representatives through a general election expected to be held later this year or next, according to simulated vote counts made Monday [10 April] by KYODO NEWS SERVICE.

KYODO made the prediction based on the outcome of Sunday's elections in 43 of Japan's 47 prefectural assemblies.

The Social Democratic Party (SDP) and New Party Sakigake—two of the three ruling parties—are likely to lose half their seats in the lower house from 70 and 21 to 36 and 11 respectively.

Combined with the largest member of the ruling coalition, the Liberal Democratic Party (LDP), the three-party ruling alliance is likely to manage a majority of 256 seats.

After the next general election, the lower house will have 500 seats under a new electoral system, a combination of single-seat constituencies and proportional representation, compared with the current 511 seats.

The LDP currently has 210 seats and is predicted to take 209 seats, according to the simulation.

The largest opposition party Shinshinto (New Frontier Party), however, is likely to be the largest single group in the lower house, raising its strength from the current 173 to 234 seats.

The opposition Japanese Communist Party (JCP) is likely to drop from their current 15 seats to 10.

The survey is not necessarily a reliable prediction since it is also based on the outcome of the 1993 lower house general election and does not take into account one key factor, or voters who do not support any particular party.

Unaffiliated voters brought about surprise wins by independent candidates in the Tokyo and Osaka gubernatorial races Sunday.

According to the KYODO prediction, the LDP is likely to take a majority of 135 seats in the House of Councillors after this summer's election, compared with the current 94.

The upper house will have 250 seats after the election, compared with the current 252.

The SDP is expected to lose its upper house seats from the current 66 to 40. Sakigake, which currently has one seat, is forecast to take none.

Shinshinto is likely to raise its representation from 49 seats to 54, and the JCP stands to gain 12 seats against the current 11.

* Koichi Kato's Quest for Power Examined

952B0142A Kyoto VOICE in Japanese Apr 95 pp 50-51

[Article by Shigezo Hayasaka, political commentator: "The Tale of Koichi Kato Gaining Power"]

[FBIS Translated Text] **"In the Future I Will Support President Kono"**

Occasioned by Prime Minister Murayama's lack of policy and action, which was shown by the Great Hanshin Earthquake and the review of special-status corporations, it is rumored that there will be a change of government in April. As might be expected, people should be left where they belong. Because of the heaviness of the burden weighing on his shoulders, the current prime minister, whose only merit is being a virtuous man, has been troubled by nervous diarrhea since immediately after becoming prime minister, and it is said that recently he is unable to sleep because the spirits of the earthquake victims appear nightly at his pillow. The theory of an April change in government, which holds that when the supplementary budget for the current fiscal year is passed, and the government's bill for the general-account budget for the new fiscal year is guaranteed passage within the fiscal year, Murayama will retire from the post of prime minister on the grounds that his main physician has restricted his activities, is a "wild rumor" which has foundation.

One also hears the view that, via an emergency measure, Murayama's successor will be Chief Cabinet Secretary Kozo Igarashi, but society will not sit still for a wife cleaning up the failures of a husband. They are fundamentally the same. The Social Democratic Party of Japan, which has a hard time because of the phenomenon of liquefication, and in the end will inevitably break up into streams of demonstrators, ought to stay out of it. There are too many unreasonable circumstances.

They want to keep Murayama as a figurehead as long as possible. That is the basic strategy of the primary part of the government, which equals the Liberal Democratic Party [LDP], but in political circles the immediate future is shrouded in darkness. That is too much to expect. Within the LDP, which has begun to consider the possibility of Murayama coming to a sudden stop, signs of an upheaval in regard to Murayama's successor have rapidly become conspicuous. The basic diagram is creation by YKK [Taku Yamasaki, Koichi Kato, Junichiro Koizumi] of a net encircling the former Takeshita faction, and fierce reaction against it by the former Takeshita faction, and the one who devised it is Policy Affairs Research Council Chairman Koichi Kato.

The LDP, which declared that it would dissolve factions, and embarked on implementing it, now two has axes of coordinates. The former Takeshita faction, which acknowledges itself as the Imperial Guard Division, loyal to Takeshita, and the "Forum for Considering the New Century" [shinseiki o kangaeru kai], a crossfactional group, led by YKK. They are evenly matched, with each side having a combined force in the upper and lower houses of somewhat over 60. The other factions broke up and lost their unifying force. They are only a group of small, weak satellites floating in the heavens. Their former bosses are losing influence in the twilight of their power.

On 6 January former prime minister Kiichi Miyazawa, an intellectual who has high ideals, but is without steps to realize them with some end in view, acted as mediator, and Yohei Kono and Kono Kato, whose relationship had been as hostile as that of cats and dogs, held a reconciliation party. Seen from Kato's side, Kono is a stylish newcomer who left and came back. Kato has the record of accomplishment and the pride to think that he is the one who has supported the former Miyazawa faction and looked out for the young ones. Actually he has the thought deep in his consciousness that he was rubbed the wrong way because in July 1994 the party, which had lost confidence and fallen into the position of opposition party in the general election, chose Kono, who is affable to everyone except his immediate family, as party president.

In addition, there was also the circumstance that in September 1994 Kono maneuvered to drive out Policy Affairs Research Council Chairman Kato, with whom he could not get along in various ways, and the plan misfired. What is a person like Kono, who does not even do the lower jobs, and has fewer than 10 followers, doing! It would not be strange if Kato intensified this feeling. That same Kato pledged to his arch enemy, "In the future I will support President Kono," in the presence of [Miyazawa] the former shogun who had destroyed the LDP shogunate. Kato's words raced around Nagata-cho the next day, and it is natural that most people received them with a dubious expression.

The First Taste of Defeat

But in February Kato's "homage and service" to Kono was proved by fact one time after another. On the night of the 1st, Kono and Secretary-General Yoshiro Mori confered with the YKK trio at a Japanese restaurant in Tokyo. Vice President Keizo Obuchi was not in attendence. At a meeting of the "Kayu-kai," the driving force behind establishment of the Murayama government, on the night of 2 February, the promoter, Seiroku Kajiyama was indignant, saying: "They left Obuchi out. It is outrageous!"

On 19 February, Taku Yamasaki, one member of the YKK trio, was appointed chairman of the Diet Affairs Committee, and Mitsuo Horiuchi, a close associate of Kono, was appointed chief of the General Affairs Bureau, which is directly subordinate to the secretary general. Chief of the General Affairs Bureau is a simple post, so it does not attract attention, but its work is to divide up the real work of all classes of elections. There are many important figures, including Ichiro Ozawa, who made their mark in the world using the post of chief of the General Affairs Bureau as a stepping stone. Obuchi, who as chief of Election Affairs Headquarters coordinates publicly endorsed candidates in the general election, supported his comrade Kanezo Muraoka, but Kono would not yield, and put in Horiuchi. It was the first experience of Kono, for whom appointments is a weak point, of carrying through his own view. Behind him was the strong support of YKK: Kato, Yamasaki, and Junichiro Koizumi (former minister for posts and telecommunications).

Mori, an opportunist who lost his faction base, and Kabun Muto, who barely managed to find the post of chairman of the Executive Council, merged with YKK because of speculation regarding political upheavals ahead. Though it is a limited war, it is the first taste of defeat experienced by the former Takeshita faction, which was irresistable, particularly when it came to appointments.

Taking advantage of momentum, Kato involved Mori, and, with review of special-status corporations as the opportunity, shook up the former Takeshita faction. It is integration of the Japan Development Bank and the Export-Import Bank of Japan. The posts of president of the Japan Development Bank and the Export-Import Bank of Japan rank along with chairman of the Tokyo Stock Exchange as the three top positions to which administrative vice ministers for finance retire. They are inviolate sanctuaries. There was no chance that the Ministry of Finance would swallow it. Kato fired a bazooka into it knowing that full well. The result was a draw with injuries on both sides, and the conclusion was deferred till the plenary Diet session at the end of March.

The Ministry of Finance is the innermost sanctum of political circles, the bastion of Noboru Takeshita. It is with this that Kato picked a fight. His aim is elsewhere. It is exercise of a scheme which seeks to control the general situation within the party by making public opinion an ally, supporting President Kono, a dove, Defender of the constitution and liberal, who will be well received by the Social Democratic Party of Japan after Murayama, and snipping Obuchi and International Trade and Industry Minister Ryutaro Hashimoto in the bud.

* Prospects Slim for Two Conservative Parties

952B0124A Tokyo SHOKUN in Japanese Mar 95 pp 60-70

[Article by Tetsuhisa Matsuzaki]

[FBIS Translated Text] *Don't discount the strength of the Social Democratic Party of Japan [SDPJ] just because the party is splitting. The SDPJ may show its latent power in a general election under the new system.*

It was 10 December when the New Frontier Party [NFP] was formed through a merger of 10 small and medium-sized parties, including Shinseito [Japan Renewal Party], Komeito, the Japan New Party [JNP], and the Japan Democratic Socialist Party [DSP]. The strength of this new party came from its 178 members in the House of Representatives and 36 members in the House of Councilors, and the birth of this large party was the first since the formation of the Liberal Democratic Party [LDP] in 1955. But, as the combination of Toshiki Kaifu as the party president and Ichiro Ozawa as the secretary general was a replay from the LDP era, and even though the public was invited to name the party, and a spectacular production was orchestrated for the inaugural convention, there wasn't much enthusiasm for the party. According to an opinion poll conducted by YOMIURI SHIMBUN, the support rate for the party was 13.6 percent, indicating that the new party had not created a boom.

Nevertheless, it is not meaningful to extrapolate the NFP's future from its current unpopularity. Even the JNP, which became quite sensational in the Japanese politics, had a marginal support rate to begin with. A year later, however, it gained the highest support rate of 18 percent, captured 40 seats in the House of Representatives, and produced the prime minister. Although it disappeared into oblivion another year later, it provided us with valuable insight: Public opinion is inconstant and slow in capturing real images. It also tends to amplify itself in one direction. Therefore, unless we examine the historical context, we cannot predict whether the NFP can become a party that will sweep over the nation like a storm, or it may be crippled by a resurgence of the LDP's power.

A Merger of Opposition Parties

What is the NFP? To find out what kinds of roles this party is aiming to assume, we must look back first at how the party was created.

Established parties that comprise the NFP are Komeito and the DSP. The JNP, which was formed in 1992, and Shinseito, which was formed in 1993 after breaking away from the LDP, created a "coalition of eight parties" with these two established parties as well as the SDPJ and the New Party Sakigake [Harbinger] after the last general election (July 1993) so as to establish a non-LDP coalition government. The birth of the Morihiro Hosokawa administration followed. Then, in April 1994 when Tsutomu Hata was chosen as Shinseito's president to succeed the premiership after Hosokawa's resignation, the coalition group added those that had splintered recently from the LDP, like the New Party Mirai [Future] and Jiyuto [Liberal Party], but lost the SDPJ and Sakigake. In June, when Tomiichi Murayama, the SDPJ's chairman, and Toshiki Kaifu, the former prime minister, ran against each other for the premiership to succeed Hata, the coalition was joined by the Kaifu group as a third generation of splinter parties from the LDP, but lost the battle. Then, a group of opposition parties under the Murayama administration united and formed the NFP as a new-new party.

The NFP's Predecessor Was the "Coalition To Take Over the Government"

Looking back at the past year or so, we must remember that the NFP's predecessor was the coalition to take over the government from the LDP that had reigned for an extremely long period of time. Around the time following the general election in 1990, the LDP's administration was stable with enough difference in terms of numbers of seats in the Diet between the leading and opposition parties. But, during the midst of burgeoning political distrust caused by the Tokyo Sagawa Kyubin scandal, the LDP was severely criticized for its summary indictment of party Vice President Kanemaru. Then, because of its mishandling of the issue of reforming the election system, a vote of no-confidence in the Miyazawa cabinet was passed, and Sakigake and Shinseito were formed as splinter groups from the LDP. As these splinter parties would fail unless they took over the government, they used desperate tactics and succeeded in forming the Hosokawa coalition government, which was united solely as a non-LDP coalition.

Of course, as being a non-LDP coalition did not provide enough legitimacy to its existence, it raised the objective of promoting reform of the election system. By doing so, it drew a demarcation line between the two camps that could be easily understood even by laymen: reformists versus conservatives. To be sure, being understandable is not necessarily being right, but in any event, the Hosokawa coalition government was able to unite itself with a strong foundation based on this single issue—introduction of a single-seat electoral system combined with proportional representation.

The above is still an official explanation, however. The fact is, it was Sakigake's idea to use reform of the election system as the new government's single policy issue, and it was Shinseito's tactical plan to form the coalition to take over the government. In other words, the Hosokawa coalition government had a dual personality based on these two different characters. Therefore, when these two characters began to pursue their independent ways later, they created creaks within the administration. And, subsequent changes in the political situation changed these characters greatly, as well.

The agreed-upon political issue—reform of the election system—developed dramatically through a series of reversals, and was finally resolved at the end of January 1994. The House of Representatives voted for introduction of the new electoral system, and the House of Councilors voted against it. It was approved finally at a top-level meeting between Prime Minister Hosokawa and the LDP's President Yohei Kono.

At that particular moment, therefore, the coalition government became devoid of any political agenda to pursue.

Sarcastically speaking, if reform of the election system were not completed, the coalition could have continued to use it as its political pursuit. But, since it achieved its objective, it had to fold up. And, as it did so, it quickly lost its centripetal force.

No doubt, of course, both Shinseito's Secretary General Ozawa and Prime Minister Hosokawa were aware of this eventuality. The statement that "the Hosokawa administration has entered the second stage" suggested an introduction of a new political agenda. A new direction was indicated in Secretary General Ozawa's best seller, *Blueprint for Building a New Japan* [Nihon Kaizo Keikaku], and a plan to increase consumption tax rates was the first step. However, this plan had not yet been agreed upon by the parties in the coalition, and it was to be opposed for sure. In other words, as the Hosokawa coalition government achieved its original policy objective and moved on to the next step, its centripetal force was transformed into a centrifugal force. And, as the coalition had no reason to continue to maintain its characteristic emphasis on taking over the government from the LDP, it had to face the question of how to build a full-fledged coalition government. Therefore, its member parties began to fight against each other with their own ideas of government.

Sakigake's Idea of a Tripartite Structure

The first to drop out from the coalition was Sakigake. It was Sakigake that took a leadership role in the political situation after the general election of July 1993 and proposed reform of the election system as a single-issue political agenda. According to representative Masayoshi Takemura, however, the coalition was not necessarily meant to become a non-LDP coalition to take over the government, but was intended to be used in the search for a way to form an alliance with "reformists" within the LDP. But, then, Secretary General Ozawa changed it to a coalition to take over the government by bringing in Hosokawa as a candidate for the premiership. His action was brilliant. But, even after forming the Hosokawa administration, Sakigake continued to think of next steps, busily constructing its own theory—the idea of a tripartite structure. According to this idea, the bloc formed by Shinseito and Komeito becomes the second axis against the LDP, which has been weakened but is still formidable, and Sakigake and the JNP become the third axis to be at the center of restructuring of the political world by joining hands with the SDPJ and the DSP as well as with some members of the LDP. In fact, this scenario began with a general election. Sakigake and the JNP gained about 50 seats in the Diet, and as a result, they established their status as the third axis. Using this relative position, therefore, they led the political situation. But, the Shinseito-Komeito bloc as the second axis was not happy about the situation where the minority axis held the casting vote. It is quite understandable, therefore, that Mr. Ozawa tried to promote his idea of a "major legislative alliance" [taikaiha] by taking in Prime Minister Hosokawa and forming a united legislative body with the then-leading coalition parties.

For Sakigake, a major legislative alliance was an antithesis to the tripartite structure, and was a step toward a two-party system, meaning that Sakigake would be buried under the Shinseito-Komeito bloc. As a political party, Sakigake could not accept such an idea, because it would lose its raison d'etre if it did so. But the leaders from the Shinseito-Komeito bloc—the so-called Ichi-Ichi [Ichiro Ozawa and Yuichi Ichikawa] line—tried to replace Chief Cabinet Secretary Takemura, who had a different idea of political power structure. This caused everything to fall apart.

The new electoral system, which the Hosokawa coalition government pursued and introduced on its single-issue agenda, is not, by nature, compatible with the tripartitie structure. In fact, if an election takes place in single-seat districts, it will be difficult for the third power to survive. In this sense, Mr. Ozawa was right at that time when he said that, unless the leading parties cooperated in election campaigns, they would not be able to win against the LDP. But, there was a pitfall. Although his argument for a two-party system was right, it was not an appropriate tactic, because such an election was still in the future at that time. Prior to actual election campaigns, official candidates had to be chosen and voting districts had to be allotted. If the third power was absorbed into the major legislative alliance for an eventual creation of a centrally controlled, new-new party, it would lose its influence. To prevent this from happening, it needed to establish itself as the third axis to gain a favorable position in the allocation of voting districts. In short, the idea of a tripartite structure, which was proposed by Representative Takemura and others in response to the major legislative alliance, is a strategy to secure this position. Analyzed in this way for a limited time span, it is certainly an effective plan, although Mr. Ozawa and others must have wondered why their idea of the major legislative alliance to cooperate in election campaigning was not well understood. In fact, Sakigake is taking advantage of the regrouping of the coalition, and is quite likely to be able to increase the number of its seats in the Diet in cooperation with the LDP and the SDPJ.

Mr. Takemura's Gesture for Reconciliation

As described earlier, the Hosokawa coalition government was a coalition agreed upon with a single issue—reform of the election system—so as to take over the government from the LDP. But, it ended up being caught in its own trap as a result of having the new electoral system introduced. So long as it had an objective to take over the government, it was able to maintain a peaceful and broad-based coalition with a dominant position in the numbers of seats. And, with the single issue, it succeeded in labeling itself as a reformist group and the LDP as a conservative group. This made the LDP look like a ship about to be wrecked, and prompted some of its members to leave the party in droves. But, when introduction of the new electoral system was decided, the peaceful coalition became impossible to maintain. Examined logically, unless the coalition aimed for establishment of a two-party system by uniting its leading parties, it would lose its political power. Therefore, it had to take up a strategy to maintain its position as a governing coalition; it had to discard the strength of its offensive strategy and be defensive.

What would have happened if the coalition didn't rush into making efforts to unite its member leading parties, but accepted the idea of a tripartite structure? Although it was logically necessary to aim for a two-party system, acceptance of a tripartite structure could have been effective in a strategic sense. Sometime in the beginning of 1994, Chief Cabinet Secretary Takemura visited Mr. Ozawa's house with a large bottle of sake. Around that time there was already a crack in the relationship between Hosokawa and Takemura, and the reason was said to be that Mr. Ozawa took in Prime Minister Hosokawa. Therefore, the intention of Chief Cabinet Secretary Takemura's visit was to reconcile the relationship. If Mr. Ozawa joined hands at that time with Chief Cabinet Secretary Takemura, rather than with Prime Minister Hosokawa, the political situation would certainly have developed completely differently from what it is now.

The "Kaishin" Plan Remains a Mystery

Prime Minister Hosokawa's resignation was related to suspicion about his financial dealings, and because of his image, this came as a surprise. The early announcement of his resignation, however, proved to be a chance for the leading coalition parties to reunite themselves. As the scandal was a personal one, it was not supposed to shake up the structure of the coalition government itself. Selection of the succeeding prime minister would have had an effect of renewing the public sentiment, and in particular, it could have solved the entanglement in the relationship between Hosokawa and Takemura.

But the non-LDP coalition parties were not able to use this opportunity to their advantage. Instead, they magnified the problems. Sakigake soon announced its decision to leave the cabinet, and the other coalition members did not try to persuade it to stay. The reason was that Shinseito had a desire to effect a partial merger of conservatives with conservatives. Accordingly, it planned to take in former LDP Vice President Michio Watanabe, and when its intention to alienate the SDPJ became clear, it hardened the feelings of even the SDPJ's rightwingers. Around that time, the possible formation of an LDP-SDPJ coalition was already being pursued by Sakigake, but careless enough, Shinseito was unable to get this information. In the end, the plan to take in Watanabe failed, and Tsutomu Hata, president of Shinseito, became a candidate for the premiership. But, as a result of making a bench warmer of Hata, who was supposed to be the "prince" of the coalition parties, the coalition's fresh image was clouded.

Then, the "reformation" plan was suddenly announced. This offended the SDPJ, which had finally agreed to stay with the coalition after protracted negotiations over policy issues. The united legislative alliance [toitsukaiha] had made a series of practically the same proposals since February, and the true meaning of this action remains as a mystery. It has been said that these proposals were (then) DSP Chairman Keigo Ouchi's idea, but nobody believes it. Some people entertain a farfetched view, saying that as Ouchi had to resign to take responsibility of the failed proposals, he was used as a scapegoat. But, this plan doesn't seem to have been made as a result of foreseeing the SDPJ's departure from the coalition and judging it to be acceptable.

In any event, the coalition weakened because of its clumsy negotiation in forming the Hata administration, and shortened its life. It was natural that supporters of Hata within Shinseito criticized Secretary General Ozawa. As policy agreements had finally been reached with the SDPJ, if everything were handled peacefully, a cabinet could have been formed with many of the SDPJ's members appointed to cabinet positions. If that were the case, it would have been quite difficult for the SDPJ to decide to leave the coalition government. If forming a united legislative alliance was definitely necessary, this idea could have been approved if they waited for two more weeks until after the consecutive holidays to begin the approval process. But, this process was enforced right before the formation of the cabinet, the least enduring period of time. This drama will be remembered as a decisive moment in political history.

The LDP is allied with the SDPJ's left wing, and the NFP with the right wing. This is the current map of the political world everyone is aware of. It is also obvious that formation of a new legislative alliance [shinkaiha] (preparatory committee to form a new party) by the New Democratic League [Shin Minshu Rengo] led by former [SDPJ] Chairman Sadao Yamahana—this issue has been shelved for the time being due to the major earthquake in the Hanshin [Osaka-Kobe] area—is also part of the fight over the party platform between the middle and left-wing group supporting the Tomiichi Murayama administration of the LDP-SDPJ coalition and the right-wing group seeking cooperation in election campaigns with the NFP. There is no reasonable answer to why the group supporting Murayama wants to create a new party after the unified local election in April, and why the right-wing group announced its plan to create a new party before an ordinary session of the Diet was convened on 20 January. Except for the most important point on why it is necessary to form a new party, the Murayama camp's explanation—confusion will intensify if a new party is created before the local election, for which the SDPJ has already selected its official candidates, and a preparatory work is in progress—seems far more reasonable. The New Democratic League's explanation—for the weakened SDPJ to regain power, creation of a new party is necessary—invites a further inquiry, because its announcement was made about the same time as the NFP announced its official candidates. If they wanted to create a new party so much in a hurry, why didn't they do so last year when the base amount for contributions to a political party could have been determined?

After all, a tragedy lies in the fact that the SDPJ is having an internal conflict between its right and left wing, and that its future split has become a target for other political parties. Of course, the cause for all this is that even though the failure of socialist ideology has already been confirmed as a historical fact, the party has neglected its internal reform. This was its own doing, but the SDPJ is clearly trying to seize the moment for self-renewal finally after having participated in government twice. The option lies in whether the party wants to be crashed from the above, or has an enough patience to wait for self-renewal, even being kicked around by some external forces. Naturally, the SDPJ will favor the latter.

The SDPJ's Latent Power

Looking at the current coalition of the LDP and SDPJ, the two parties that had fought against each other all the time under the 1955 system, many people criticized it as an illicit union. But, considering the clear evidence that the SDPJ transformed itself from being a perennial opposition party by trying to stop being a rebellious party, being a stickler to the differences in policies in the past seems behind the times. The SDPJ completed its trial run on being a realistic political party during the Hosokawa administration, and finally it is steadfastly playing the role of a leading political party under the Murayama cabinet. As it began to acknowledge that the socialist ideology has become a relic of the past, one way of politics is to wait and see how the party will change. Of course, another way of politics is to point out the wrongs and demand self-criticism. But, from the standpoint of the party that is determined to transform itself, it is obvious which way a partner in the coalition should welcome. If you boast too much of your victory against the one that acknowledges its defeat, nothing good will result. It is a common way in the art of war from ancient times that the winning side should limit its casualties by allowing the losing side to save face.

Since it is a matter of reconciling the past, rearrangement of the coalition will not be affected much by the relative stance in the past, being it a left wing or a right wing. What's important is what kind of policy direction the party will choose, and how it will pursue it and make it come true. In this sense, the LDP-SDPJ coalition has just begun. It is too early to make judgment. What we can say at this stage is that even if the New Democratic League leaves the SDPJ, the coalition government will still remain stable. And, as there are not enough factors that can upset this situation, this coalition government is likely to stay in power for more than a short period of time.

A "Comprehensive Political Party"

If the SDPJ can stay in government for a long period of time, it will be able to expand the range and size of its policy changes. If these changes are completely at odds with the wishes of existing supporters, they will be rejected. But, as it seems rational to expect that the political awareness of these supporters changes ahead of the party (for example, in terms of issues related to the Self-Defense Forces [SDF] and the Japanese flag), such delayed changes in the party platform are more likely to be accepted rather than rejected. That being the case, it seems possible that the time will come eventually for the SDPJ to gain increased support as a leading party.

Then, what kind of political party is the NFP at this point? Here, I would like to summarize my analysis in a nutshell.

First of all, the party consists basically of three major groups: a group of conservatives who left the LDP, such as the former Shinseito, a group of followers of the Soka Gakkai, and a group of union members affiliated with the former Japanese Private Sector Trade Union Confederation [Rengo]. In addition to these groups, a group of Dietmen, such as members of former JNP, also belong to this party. But, as JNP was voted for by nonpartisan voters who sought refreshing reform of politics, most of these voters must have already left the support group.

For example, with their expectations betrayed, these supporters who ended the LDP's long-running government have become floating voters again, either as nonpartisan or indifferent voters. As the passion for political reform, which spread throughout the Japanese archipelago like a fever, has cooled down, what determines the future course of politics is who will be able to represent and absorb this large group of voters who lost their sense of trust in any political party.

But, can we consider the NFP, which is comprised of conservatives, the Soka Gakkai, unions affiliated with the former Rengo, and others, as a comprehensive political party like the LDP? The answer at present is, no. A comprehensive political party must be multidimensional in terms of its structure, representing various interest groups within our society in an all-inclusive manner. But, the NFP has the Soka Gakkai, a strong and large religious group, as one of its important support groups, preventing it from becoming multidimensional. The LDP, on the other hand, represents various religious groups, ranging from established Buddhism to new religion, Shintoism, and to Christianity. As many different sects exist in the established Buddhism, and multiple sects compete against each other in new religion, no particular sect can exercise strong influence on a particular political party.

But, for the NFP, the large size of the Soka Gakkai can become a serious problem in running actual election campaigns in small districts. For those NFP members other than former Komeito members, such as former members of the LDP and DSP, their chance of being approved as candidates, or the level of support for their election campaign, may depend on their attitude toward the Soka Gakkai. If that is the case, it becomes questionable whether there will be any guaranty for political activities based on freedom of religion. Under the medium constituency electoral system in the past, a group with about 10 percent of eligible voters was able to have its candidate elected, but it was rather difficul to make a particular candidate defeated in an election. In other words, it used to be possible to conduct activities as a Dietman either by depending on the Soka Gakkai or by completely ignoring it. Under the single-seat electoral system, however, such a group alone no longer has a power to make its candidate elected (therefore, unification into a new party has been enthusiastically pursued), and it becomes impossible to conduct political activities by completely ignoring the group's intention. In other words, a particular group's particular intention can affect the entire members of the group; the group begins to have veto power at the least. Therefore, as a group will select Dietmen according to their stance on some single-issue political agenda, it will be difficult for a political party with such a group to become a comprehensive political party.

I believe this to be one of major shortcomings of the single-seat electoral system. But, as this system has already been introduced, we must devise some ways to compensate for this shortcoming.

On the other hand, I must also point out that the factor that can promote the making of the NFP as a comprehensive political party. This party has such equally powerful support groups as Nikkeiren [Japan Federation of Employers' Associations] and Rengo. A similar situation existed for the DSP before, but the situational relationship is more pronounced in the case of the NFP. As it is an indisputable fact that various groups exist within the party, if these groups can lead the party toward a positive direction based on democratic spirits, rather than to a negative direction by exercising their rights to veto, the party will be able to collect a wide range of support groups.

Conditions for Competition Are in Store

According to public polls conducted by YOMIURI SHIMBUN on 17 and 18 December right after formation of the NFP, the support rate for the NFP was 13.6 percent. This is the second-highest rate, following the LDP's 22.9 percent, and is more than the SDPJ's 9.6 percent. What's noteworthy, however, is that those not supporting any party accounted for 47.1 percent. Support rates for the NFP's member parties just prior to formation of this new party were 4.7 percent for Shinseito, 2.9 percent for Komeito, 3.5 percent for the JNP, 1.5 percent for the DSP, and 0.2 percent for Jiyuto. As the total of these support rates is 12.8 percent, and the support rate for Komeito was likely to register lower than the actual support rate, the NFP's support rate mirrors the previous support rates for its member parties. On the other hand, the support rate for the LDP decreased by 7 points from 29.9 percent, and that for the SDPJ decreased also by 3.8 points from 12.4 percent. Therefore, some individuals withheld their support for these two existing parties, rasing the percentage of those who "do not have parties to support" from 38.5 percent.

The public has been unable to make up its mind. This seems to be a reasonable reaction, because it is uncertain what kind of political party the NFP will become. Also, as the people cannot make up their minds before seeing how the LDP will evolve, whether the SDPJ will reform itself, or whether the LDP-SDPJ coalition will go smooth or break up, the polls seem to have produced quite honest results. Also, according to the same newspaper company's report on a detailed study (cross analysis) of changes in support rates for the political parties, the results showed not that supporters of the LDP and the SDPJ became nonsupporters, but that, although the NFP captured some former supporters of these parties (12 percent from the LDP and 6 percent from the SDPJ), some previous supporters of the NFP's member parties became nonsupporters. These amounted to about 30 percent each for Shinseito and Komeito, and 60 percent for the JNP. We cannot verify these figures, but judging from the gut feeling, they seem to closely represent reality.

In any event, the fact that 47.1 percent of the respondents "do not support any party" seems to me to indicate the possibility of diversity in Japan's party politics, rather than the cut-and-dried explanation (by YOMIURI SHIMBUN) that "the public distrust in political parties has reached a crisis level." Of course, we cannot deny the possibility of these nonsupporters becoming indifferent to politics or intensifying their feelings of distrust in politics. But, if we assume that these individuals are simply withholding their decisions until a new structure appears after the current restructuring of political parties, we can say that conditions for lively competition are in store for both the LDP-SDPJ governing coalition parties and the NFP.

What's clear is that although, the LDP with Jiyu Rengo [Liberal League] and the NFP stand against each other as two major political parties with 208 and 178 seats in the House of Representatives, respectively, this situation will not continue to remain unchanged in the future. Rather, these numbers represent an artificial balance resulting from an attempt to allocate voting districts according to subjective circumstances of the existing Dietmen. Therefore, when a general election actually takes place, this delicate balance will quickly disappear, and there will be a considerable difference in the numbers of seats. Here, it is impossible to predict which side will capture the majority, and which side will fall into the minority.

The Situation Can Reverse Itself Easily Like the "Wind"

Ever since the redistricting for single-seat voting districts was completed in November, several estimates on how many seats in the Diet each party will capture have been reported. But, they lack realistic meanings almost completely. There are no historical data on the relationship between these [new] voting districts and the [current] political parties. And, actual election results of each member of the Diet in the past are not reliable as data, because combinations of contending candidates have changed drastically. If a survey based on random sampling is conducted after each political party selects its candidates, the results will have a significant meaning. But, as about a half of the respondents to the recent poles on party support have not made up their minds, reliable results cannot be obtained.

Some people say that the NFP is in the process of collapse, and if a general election takes place now, the LDP will win an overwhelming victory. Certainly, no party can surpass the good old LDP in the area where it is important to have a strong, traditional organizational structure, such as a backup from local branch offices. Local organizations, which faltered at some point due to a series of defection by Diet members, are now completely stabilized. The stormy headwind subsided, and now that the party returned to power, the wind is likely to blow favorably. Therefore, even though it is the fact that the LDP is strong in basic areas, the final outcome depends on how the nonsupporters will vote in the end. If the "wind" blows like in the last election, the situation will reverse easily. Such a reversal can easily happen under the single-seat electoral system.

A Possibility of Having Local Political Parties

Because of the birth of the new big party with power next to that of the LDP, an established big party, some people say, "The era of two conservative parties has arrived." I think it premature to say so. To be sure, the single-seat electoral system makes it difficult to have a third party. In the case of England, the Tories and the Labor Party compete for seats in the Parliament in each individual single-seat district, and by tallying the results nationwide, the majority party is determined. By necessity, therefore, the third-ranking party is eliminated. The Liberal Party may fight a good fight in terms of the percentage of votes it can collect, but it gets far fewer seats than the other two parties.

However, if there is a possibility of having local political parties, it is a different story. As in Germany, when an influential political party is different in each region, the third, or even the fourth, political party can play an important role in national politics. But, such a situation occurs essentially because Germany is a federal state, and it seems almost impossible to happen in a country like Japan where the level of homogeneity is high, socially and structurally, and there is no segregation of residential areas exists in terms of religion or traditional culture.

But, the reason why I am skeptical of the era of two conservative parties is that in the case of Japan, there is no guaranty for even the second party, let alone the third party, to be able to maintain a size to counterbalance the first party. In the case of the United States, the majority in a particular region is determined by such various factors as groups of immigrants, race, and religion. For example, there are many Polish immigrants in some areas around Chicago, and Japanese-Americans are the majority in Hawaii. Even on a much more limited scale, the central section of Boston has many Italian-Americans, and the section to the west has many Irish-Americans. And, as each of these sections is a voting district, a winning candidate from a particular district is from the majority group in that district. Although the characteristics of an elected official from each individual voting district remain the same, as the people live in different residential areas in a truly pluralistic, not uniform, manner, members of Congress are chosen at the national level in a mix that approximates the average of various characteristics.

In the case of Japan, however, characteristics of voting districts differ only according to the level of urbanization. Other than this, all voting districts are composed of voters with almost the same characteristics. Such being the case, it is possible that the majority party becomes much stronger, and that candidates from the second party, which assumes the minority position with a marginal difference in the number of votes, find themselves losing in election one after another.

Election results are unpredictable. Our experience tells us that voters tend to balance their feelings in a delicate manner. Therefore, it can be possible for the counterbalancing axis between cities and agricultural villages to adjust the balance of power between the two political parties, enabling the change of administration smooth between these two parties. But, inherent in the single-seat electoral system in a homogenous society is a risk of creating a one huge political party, rather than two major political parties.

In any event, until the next general election, each political party continues to be in the process of restructuring. There is a slight possibility of realignment of the coalition, as well. But, even if an election takes place with the same line up, a major realignment will follow. Until then, therefore, the tripartite structure, which has been propounded by Sakigake, will continue to survive, and such survival will be beneficial then, as well.

The third axis is small at present. Hidden between the LDP and the NFP, it tends to be forgotten. In fact, if it competes against the two major parties, it will have difficulty in gaining seats in small districts, except in some few, unconventional districts. Prior to a general election, however, an election for the House of Councilors will take place in July this year. We must bear in mind that this will provide an opportunity to the third axis.

The Sakigake and the SDPJ as a New Influential Group

Only two years ago, the voters who got tired of the LDP's long-term reign became enthusiastic about the possibility of "changes in politics." Then, they were betrayed. After all, those freshmen politicians who seemed to have wanted reform with such enthusiasm are now members of the political party whose president and secretary general both are former members of the LDP. At the same time, the NFP is acting like a relief agency for the middle-of-the-road parties, which used to be permanent opposition parties. When those who think they are betrayed go to the polls, they will cast their votes only for the third axis. Of course, the third axis was originally created by Sakigake, but it should not be monopolized by this party only. If the SDPJ succeeds in transforming itself, it can be considered as the third axis. Also, any new group that can submit its roster for proportional districts will be able to become part of this axis. What should be remembered here is that JNP started three years ago in the proportional districts for the House of Councilors, and became a governing political party in mere two years. It depends on a person's standpoint whether to view this as a realization of expectation or a nightmare. But, if some nucleus to gather around can be created for the large number of floating voters among the so-called nonsupporters, the ranking of the LDP as the first party and the NFP as the second party will not necessarily remain unchanged. If so, one that will suffer a direct hit may not be the LDP, which halted its descent at the last minute, but the NFP, which has been unable to solidify its foundation, leaving many internal disagreements on policy issues.

When we analyze the situation as above, within the limited time framework of up until the next general election, we come to realize the strong effectiveness of the tripartite structure, which continued to be propounded by Sakigake during the Hosokawa coalition government, a non-LDP coalition to take over the government from the LDP. And, if it is possible to reunite those who were left out by Prime Minister Hosokawa when he abandoned the tripartite structure in favor of the two-party system, the third axis may become a unexpected reality that will threaten the second axis.

The NFP has been approaching the SDPJ's right wing, and eagerly trying to make Mr. Yamahana and his New Democratic League leave their party. On the other hand, however, Sakigake has been planning to form a united legislative alliance with the SDPJ. If I may summarize what I wrote in this article, I would say that we must pay special attention to this united legislative alliance.

Basic Defense Program Reduces SDF's Size

OW0804105895 Tokyo KYODO in English 1035 GMT 8 Apr 95

[FBIS Transcribed Text] Tokyo, April 8 KYODO—Japan may streamline its Self-Defense Forces [SDF] while equipping them with more sophisticated high-tech equipment under the country's new basic defense program now being drafted, according to a copy of the program obtained by KYODO NEWS SERVICE on Saturday [8 April].

The draft program calls for slashing the size of ground troops to 150,000 from the present 180,000 and reducing front-line equipment such as destroyers, antisubmarine patrol planes, submarines and fighter aircraft.

It urges the self-defense forces to reorganize themselves to better cope with "a variety of potential dangers" such as airspace invasion, terrorism, armed refugees and natural disasters.

In the meantime, it proposes setting up a system of well-trained reserves to make up for the cut in personnel.

The program, which replaces one written in 1976, also calls on the Maritime and Air Self Defense Forces to step up their UN peacekeeping operations. It proposes introducing large transport planes for such operations and an unspecified number of air-to-air refueling aircraft.

The program also advocates close cooperation with the United States in UN peacekeeping operations.

The scheme, based on a draft plan mapped out last year and endorsed by the Defense Agency's top officials March 31, will be implemented over the next decade if approved by the cabinet.

But agency officials said the program remains subject to changes as Defense Agency Chief Tokuichiro Tamazawa has instructed agency officials to scrutinize it in view of strong opposition from the military brass.

TRDI Chief Views FSX Mission to U.S.

OW0704155395 Tokyo BOEI GIJUTSU JANARU in Japanese Feb 95 pp 2-3

[Comments by Ryozo Tsutsui, former director general of the Technology Research and Development Institute (TRDI), Japanese Defense Agency]

[FBIS Translated Text] I was in the mood for a single scotch, which is not served as stingily as in Japan, and asked an American friend what was a first-class restaurant in Washington. He said that according to the WASHINGTON POST, that would be a place that was at least 50 percent reserved. He just gave me a strange look when I said it was normal in Japan for any good place to be nearly fully booked. When I pressed him, he shut me up by saying he meant annual reservations, with tables held for certain senators throughout the year.

This Washington is not the state where Seattle is—it is a corner of Maryland 10 miles square that Lincoln's Northern Army won from the South in the Civil War. It is a small city, with its southwestern part cut away by the Potomac river. It has opened up to the point that a black is the mayor now, but when I was in graduate school at the University of Maryland, blacks were restricted to the Southeast quarter, and even the ambassador of Japan could not live in Northwest, the upper-class residential area.

An FSX team headed by Technology Counselor Tsutsui was sent to Washington in December 1986. The party consisted of veterans with the greatest experience with the FSX, and so it appeared that the team's purpose was a study related to the FSX. In fact, it was a war of words that could be called the decisive battle for the FSX technologists' camp.

In the Japan-US dispute over the FSX, the United States was divided politically. Proponents, primarily the Department of Defense, argued that technologically Japan did not have the capability to develop, and urged that Japan give up the idea of development and adopt a modification of a U.S. fighter. The opponents, particularly in the Congress, said Japan should not be allowed even to modify the F-16.

The cooperative efforts of the government and private sector to produce domestically an advanced, next-generation fighter support aircraft to satisfy the demanding performance requirements of the user, which was the Air Self Defense Force (ASDF), had enabled research fabrication of primary structural parts of CFRP [carbon fiber reinforced plastic] composite, the world's most advanced co-cured wing, and a phased-array radar driven by gallium arsenide. The FSX was intended to crystallize the aircraft technology which had been forged and refined since the trial fabrication of the T-2, Japan's first supersonic trainer. There was no room for doubt about its technical feasibility. This was the greatest desire of Japan's aircraft technologists.

The team had the following members:

—Tsutsui, Defense Agency Counselor for Technology
—Yasue, senior member of the Aircraft Division, Bureau of Equipment
—Major General Hosei, director of the Defense Department, Air Staff Office
—Colonel Ishimoda, director of the FSX Office, Air Staff Office
—Major Nagata, member of the FSX Office, Air Staff Office
—Colonel Yamada, chief of Aircraft Development Team 3, TRDI
—Yamamoto, of the Plans and Programs Department, TRDI
—Major General Ishikawa, Defense Councillor, Washington Embassy
—Major Yoshioka, ASDF Washington FMS Officer

The cold wind, blowing snow, epitomized December in Washington. Our party stayed a night near the embassy in the cosy, European-style Foggy Bottom Hotel, then headed for the Defense Department, unaware of the harsh views on the U.S. side and wondering why we had to come this far to explain a strictly Japanese project.

The first meeting was held in the special conference room in the basement of the Defense Department. The atmosphere was unusual. The nine Japanese were surrounded by 50 U.S. participants, in two or three layers. We were received by several State Department officials in addition to those from the Defense Department. We gave a comprehensive briefing, ranging from the operational concept to the development plan, after which we were subjected to a barrage of severe questions, just as though we were at a Diet interpellation. We all did our best to ignore the humiliation of explaining our development plan under such circumstances, and responded politely and sincerely.

The U.S. interpretation was that, based on a recognition that its own wealth of experience was unmatched in all the world:

(1) Development of fighter aircraft involved a high level of systems engineering, which was a field completely beyond the grasp of inexperienced Japan;

(2) A development plan required a great deal of experience, and the immature thinking of Japan's draft was inadequate; and

(3) Development costs were often double or triple what was expected, even in the United States, and the low figure in Japan's draft was absolutely impossible.

Accordingly, in the extreme U.S. view, Japan should give up the idea of domestic development.

In working group meetings on the days that followed, therefore, members of the Japanese team gave positive explanations, with actual examples, of Japan's record in accumulating basic technology, systems engineering experience, development planning experience, and detailed procedures of cost planning. The result was that U.S. doubts were cleared up day by day; in the final conference of working group chairmen headed by Lieutenant General Gast, who lead the U.S. team, it was even stated that the Japanese plan was meticulously drafted and might even be superior to the U.S. plan.

The report to the Defense Agency of the success of the Tsutsui mission surprised the Department of Defense.

The U.S. side stated that the party's report differed from the facts and that further explanation of Japan's technology would be necessary. It decided to send the Sullivan Mission to Japan the following year (excluding members who had discussed the matter with us in December). The Sullivan party made the evaluation that Japan completely lacked the technical capacity to develop a fighter, and that our composite technology and technology for radars with gallium arsenide elements was at an academic level, and not suited for use in actual aircraft. Considering the fact that it is just those two technologies that the U.S. asked to receive during actual FSX technology transfer, history will show whether it was the Japanese or the U.S. mission that made a correct report. I have ventured to record this in defense of the honor of all the Japanese in the mission.

In the subsequent political problems and all the dispute over the FSX, there were misunderstandings on both sides that originated in the lack of a proper understanding of Japan's technical level. If either of the extreme views—the judgment that Japan was fully capable of developing a fighter and the idea that Japan had no aircraft technology at all—influenced the shape taken by the FSX, that is a matter of regret from the engineer's perspective.

The rollout of the FSX took place at Mitsubishi's Komaki plant on 12 January 1995.

A white aircraft with a red streak, the TRDI 01 is a dauntless aircraft that hurts the eyes, but also is beautiful in a way. This is the fine form of the FSX today. It had a difficult birth, in the course of which it was belittled as part of the political bargaining in which Japan and the United States were embroiled, but now it stands brave and proud with its technical accomplishments. Oh FSX, which even now lacks a name, fly into the world and show off your brave form! Ignore the nonsense spoken by those beneath you! The true value of this project, and how much it means to the 50 years of postwar bilateral history, will be clearly known in another 50 years. Speaking for the technologists' camp, I will just record once more that without technical success there could be no FSX, and leave the evaluation to history. We will continue efforts for the success of the FSX. And so, let us shout out to the world and to later generations that this indeed is Japanese technology.

TRDI 1st Research Center Researcher Profiled

OW0704154895 Tokyo BOEI GIJUTSU JANARU in Japanese Feb 95 p 17

["Profile" of Technical Officer Yuji Sato, Fuze Laboratory 1, 1st Department, 1st Research Center, Technical Research and Development Institute (TRDI), Japanese Defense Agency]

[FBIS Translated Text] In fiscal year 1987, TRDI began development of the "High-Performance Impact Fuze," an independent Japanese concept. The second trial fabrication of this fuze has been completed now, and testing within TRDI will begin during 1995. This high-performance impact fuze is one that maximizes the destructive effect of a projectile fired at a ship or other target by evaluating the speed and status of the target, then exploding at the center of the structure.

One of the researchers in Fuse Laboratory 1 of the 1st Department in the 1st Research Center, which is responsible for this sort of future fuze technology, is Yuji Sato (age 32). He graduated from the Electrical Engineering Faculty of the Tokyo University of Agriculture's School of Engineering in 1984, and was selected for summer employment within the University's graduate school that year. The following spring he joined the Defense Agency. Following his initial training, he was assigned to his present office, and spends each day immersed in research.

In college he specialized in electronic circuits. The topic of his graduation thesis was "research on equivalent constant measurement of mechanical vibrators by the PLL method." At that time, Sato wanted to join the Defense Agency because he thought, "in TRDI it might be possible to discover something not known in the field in general." When he was hired, however, he knew next to nothing about fuzes. "It may actually be better that I started from zero, with no preconceptions. Fuzes are very small systems, with many parts that can be made by hand. Another feature of fuzes is that when you have made one, you can test it right away." Thus, Sato says he is quite happy with his present job.

In the laboratory, he has dealt primarily with fuze sensors. Since coming to the Defense Agency, he has done research on millimeter wave and infrared "target detection fuzes" for the SADARM projectile, which destroys tank armor. Last fall he spent two weeks looking at U.S. Army research facilities as a member of the government-private sector Joint Artillery Survey Team (JAST-IV). His impression at the time was that, "I did not think Japan was too far behind the United States when the hardware itself is compared. What surprised me most was the enormous manpower on the U.S. side. They had ten times the people in TRDI working just on fuses alone. That showed me the great strength the United States has in reserve."

The visit to the United States also taught him that the United States puts more than a little effort into simulation. Based on that experience, Sato is eagerly awaiting completion of a "Fuze Experiment Building" at the First Research Center in Meguro, and the Fuze Impact Simulation Equipment to be housed in it. That equipment is scheduled for completion in the summer of 1995, and it will allow a variety of indoor experiments with fuzes, which previously could be done only by firing. This is Sato's dream of the future: "Digitization and miniaturization of complex signal processing devices has made it possible to put them in the tight space inside a fuze where they would not fit before. From now on, I want to build new fuzes by incorporating lots of ideas that have not been possible in the past."

Dialogue on Future of Defense Technology

OW0704160095 Tokyo SECURITARIAN in Japanese Mar 95 pp 33-36

[Dialogue between Takuma Yamamoto, chairman, Fujitsu Ltd., and Hisamitsu Arai, director-general, Bureau of Equipment, Defense Agency: "How Should Defense Be in the High-Tech Era? Top Leaders of the Private Sector and Government Discuss the Future of Defense"]

[FBIS Translated Text] **Those Who Control Technology Control Defense**

[Arai] During the war, you served as a fighter pilot. How do you assess defense technology based on that wartime experience and as a man who has led the cutting-edge technology area ever since the end of war?

[Yamamoto] It is my very strong impression of the war that "no defense is possible without the backdrop of excellent technology." I was an aviator during the war. When I flew just some 10 kilometers, my radio became unusable and the engine spewed out lube, and I thought I could not fight a war under such conditions. It was one of my motives for becoming an engineer after the war. Self-Defense Force troops will not be able to really stake their lives to defend the country without superb weapons. In this sense, people in charge of defense technology have a very grave responsibility.

[Arai] Recently, the Gulf war gave an impression to the world that "those who control technology control defense." There was once an argument in the United States that the development of defense technology does not contribute much to economic development. In reality, however, the history of defense technology shows that technological development in the defense sector has been the primary force for developing computer, communications, aircraft, space and other advanced technologies after the end of the war.

[Yamamoto] Exactly. The computer actually stemmed from a calculator for deciphering developed in Britain. Military men and scientists were mobilized to do research out of defense needs and led to the development of todays computers. The civil transport jet Concorde is, in a sense, derived from the military industry and global positioning satellites now even used by ordinary automobiles are originally military satellites. From one viewpoint, military technology still leads civilian technology. But when seen partially, civilian semiconductor technology is far ahead, for example. I think how fast defense technology can take in advanced civilian technology is a key in the future.

Active Use of Consumer Technology

[Arai] That is what we are now going to study from now. I think it necessary to open military specs further and switch our system to actively accommodate any good consumer technology.

[Yamamoto] For example, tape recorders are now very light, but they are not good for military use as they an easily break. But they may be able to be used in the military sector when seen from a different perspective. For instance, they can be regarded as expendable supplies. Then they can be used as short-life goods from the beginning and replaced when broken. Such a change in thinking can be possible.

[Arai] Indeed. Technology advances so fast now and it is more rational to use good consumer products than to continue using products that have passed stringent military specs for 10 years. I thought the military sector the most advanced, but we will have to think differently from now.

[Yamamoto] It was our impression long ago that information equipment is expensive. But it is now almost disposable in households, very different from the old days. We have to think it expendable to some extent. While we keep using it carefully, it gets old. If we use such equipment as expendable supplies from the beginning, we can take in new technologies one after another. I think we are now in such an age.

[Arai] If units use such easy-to-use things, they will prove convenient for troops as well. They can use military issues like they are using ordinary utensils. The troops will feel they are user-friendly or user-oriented, and the ease of use will be improved.

[Yamamoto] Although I was a pilot, I spent far more time running on the ground fully armed than flying. Radios were heavy and hard to carry. If they become lighter and if each soldier can have one, the world would change for troops. Their psychological state would be stabilized simply by thinking that "I am not marooned," helping preventing abnormal mentality on the battlefield.

[Arai] Americans often use the word "affordability" during discussions. It means reasonable prices. Military technologies are often state-of-the-art and expensive. But they say we do not have to seek such high discrete functions.

Multimedia Outfit Needed in the Future

[Yamamoto] Really? Information systems are now increasingly regarded as consumer goods even for individuals. Actually, they do not use a lot of energy or materials now. They use very efficient materials. From now, we have to seek two directions—one if to provide enough information equipment to each man and the other is to provide highly advanced information equipment.

Transformation equipment is required for such cases—every chopper would be equipped with TV cameras with higher definition than those of commercial TV stations for simultaneous assessment of the situation at countermeasure headquarters.

[Arai] The latest disaster provided two lessons: one is that safety and water are not free, and the other is that we continue to have concern unless equipped well. When it comes to how to prepare for possible disasters, it is important to use advanced technologies, like you said now.

[Yamamoto] I want the Defense Agency to equip reconnaissance helicoptears with cameras that are resistant to vibration, less vulnerable to movement of the hands, and able to shoot a wide area.

What if the information network is disrupted? We should consider measures, including quick establishment of communication footholds using helicopters and the use of satellite communication stations.

[Arai] When such a disaster occurs, the important point is that we have technology to accurately assess the situation. It is an important duty of the Defense Agency to fly reconnaissance planes for accurate assessment of the situation and make efforts not to let damage expand in close contact with relevant organizations. I keenly think the introduction of multimedia equipment you have just talked about, which can transmit information on a real-time basis, would boost the defense capability in such cases.

Space Technology Serves as Major Deterrent

[Arai] Changing the topic a bit, but what do you say to my view that Japan still has much to do as far as the use of outer space is concerned.

[Yamamoto] Yes. Japan has yet to fully utilize outer space. So far, Japan has only used American satellites. But I presume that the United States will not easily allow Japan to have reconnaissance satellites. The United States would not allow the transfer of such cutting edge technology. High resolution in remote sensing has very high military value. Such technologies monitor the development of nuclear weapons and information obtained that way is serving as a deterrent.

[Arai] I agree with you about that point. Deterrence using space technology is becoming very important, though the principle of peaceful use of space has some bearing on that matter in the case of Japan. It is a kind of international monitoring camera to see if somebody is going to do something wrong. It works as a deterrent, just like a monitoring camera prevents crimes. I think the "space deterrent" will prevent international conflicts.

[Yamamoto] For example, when the accident occurred at the Chernobyl nuclear plant, I read a report that minority people in the mountains in Myanmar heard the news on shortwave radio and were worried about contamination of their water. Thanks to the advance of information systems, the proverb should be "Ill news comes apace" rather than "Ill news never comes too late." If the remote sensing technology advances further, countries will not be able to try anything funny. In this context, Japan still has many things to do from now, including peaceful use like resources probing.

We do not know for sure as no country discloses the real cutting edge of the technology, but I think that technologically, Japan is also fairly advanced. We are conducting research on new materials, including how crystals grow under microgravity. But at present, nothing will be put to practical use immediately. We are now advancing step by step in basic research.

[Arai] Major progress will be made in these fields from now, leading to an advance in defense technology, which in turn will serve as a deterrent to contribute to world peace. What should the government and the private sector do to that end?

[Yamamoto] I think that we have reached a so-so level in terms of hardware, regarding not only space technology but defense technology as a whole. But the problem is software. The most important points for people in charge of defense of Japan, including civilians like us, are the idea that grasping the behavior of other countries through the use of space technology can be a deterrent and the ability to turn imagination into an idea then into a scenario. I think both the government and the private sector are now required to have creative power enjoyed by European countries and the United States.

Japan Still Has Room for Effort

[Arai] Japan's defense technology budget has risen to reach about 150 billion yen in fiscal 1995, 3.2 percent of the total defense spending for the year. But the United States and France are putting much emphasis on technology development and the ratio of their technology budget is around 14 percent. In terms of value, America spends 27 times as much as Japan and France four times. I feel 3.2 percent is too low in the age of high-tech defense.

[Yamamoto] Indeed, Japan's spending is a too low. It is only natural to put much weight on technology if we have to defend the country with minimum cost without sacrificing human lives. In this context, 3.2 percent is low. For the time being, a midterm target should be set for around 5 percent.

[Arai] There is a big difference between Japan and the United States in relationship with universities. Universities are very cooperative in defense technology development in America, but we have little interchange with them in Japan.

[Yamamoto] In Japan, universities get branded if they cooperate. It is really absurd. But in countries other than Japan, people in charge of defense are respected and given status commensurate with that respect. It is funny that such people are disliked. We have to correct the situation, even if it takes time. Japanese society has such basic problems.

[Arai] In that sense, Japan has yet to concentrate all its might for the development of defense technology.

Since the end of the Cold War, defense spending is leveling off in all countries. What do private businesses think about dwindling orders?

[Yamamoto] From the viewpoint of the defense industry, no sector can maintain its ability unless it can secure a certain level of orders. For another thing, I doubt the advisability of the short circuit idea that Japan should slash defense spending only because other countries are also cutting. Japan's defense capability today is at its minimum level. Japan has a situation different from those in other countries, and any debate should be done after fully studying that. This kind of discussions goes waveringly and once a spending cut starts, it becomes difficult to maintain a level. so we should be prudent in cutting down on the budget. Personnel costs account for a considerable part of the budget.

Technology Sharing Is Common Issue for Japan, U.S.

[Arai] As for relations with the United States, Americans have asked for technology exchange under which Japan provides advanced consumer technology to the United States. Naturally, the private sector should decide what to do with its technology. But people in the private sector say that Americans may not disclose their own technology, saying "it involves national security problems."

Japan and the United States have regular consultations on defense equipment technology and the U.S. Department of Defense and the Defense Agency are discussing equipment technology exchange. The recent matter of interest for them is mutual cost reductions through joint research between the two countries. It will allow Japan and the United States to share good aspects of each other and introduce competition to private businesses of both countries.

[Yamamoto] Joint development and research are not simple matters actually. Political pressure could lead to a result unwelcome to the private sector. Such efforts in defense technology inevitably involve politics. Joint efforts between private businesses will be all right as they are efforts on a commercial basis.

[Arai] The problem should be how Japan and the United States can do well together in the future. When we talk with Americans, a common topic is technology sharing, how both parties can mutually strengthen technology to enhance defense capability. In the background is the idea to employ technology to prevent the loss of troops as much as possible.

[Yamamoto] Obtaining overwhelming supremacy with technology provides deterrent force. This is what Sunzi called "victory without fighting," is it not? This is one of the missions for people like us who deal with technology.

Takuma Yamamoto

Chairman of the board of Fujitsu Ltd. Born in Tokyo in 1925, graduated from the Second Engineering Faculty of the University of Tokyo and joined Fujitsu in 1949. Became executive director in 1975, assumed the presidency in 1981, and the chairmanship in 1990. Awarded the Medal with Blue Ribbon in 1984. Served as expert member of the Ad Hoc Council for Administrative Reform from 1991 to 1992. Currently also serves as vice chairman of the Board of Councillors of the Federation of Economic Organizations (Keidanren) and chairman of the National Federation of UNESCO Association in Japan.

Hisamitsu Arai

Director general of the Bureau of Equipment, Defense Agency. Born in Nagano Prefecture in 1944. Joined the Ministry of International Trade and Industry (MITI) upon graduation from the Law Faculty of the University of Tokyo in 1966. Before assuming the current post, served as counselor at the Japanese Embassy in Britain, director of the International General Affairs Division, Trade Administration Bureau, MITI; director, Personnel Division, Minister's Secretariat, MITI; director of the Public Utilities Department, Agency of Natural Resources and Energy; and deputy director general, Machinery and Information Industries Bureau, MITI.

Article on Test Ship for High-Tech Weaponry

OW0704160995 Tokyo SECURITARIAN in Japanese Feb 95 pp 19-22

[Article by Eiji Oishi]

[FBIS Translated Text] High technology is like photographs for matchmaking. Photographs look great, but actual boys and girls do not look as good as you expect.

Thinking such things, I went to Uraga to have a look at the high-tech test vessel Asuka (standard displacement 4,200 tons) of the Maritime Self-Defense Force (MSDF).

The times have changed. Just 10 years ago, it was not easy for even insiders to come close to a destroyer before commissioning.

Although it is not a battle ship, the Asuka is a test vehicle designed for the testing of various weapons systems to be installed on MSDF destroyers. In this sense, it is far more classified than destroyers.

Why is the Asuka, whose building costs alone top 25 billion yen, necessary? The question can be answered by why such tests cannot be done on existing destroyers.

The introduction of high technology offers people a rosy future. It promises, among others, labor saving and high precision. But there are preconditions. Only when they function normally can the specified performance bee achieved. If they do not function, they are simply chunks of silicon chips as expensive as gold and diamonds.

A human being learns to walk somehow even if he has one leg broken. Machines do not. If there is trouble somewhere within a system, its total honing often becomes paralyzed. In battlefields, this has fatal results.

Once installed, it is not easy to upgrade such large fixed equipment of destroyers as sonars and radars, whose tests will be conducted on the Asuka.

Such machines are very delicate, complex and expensive, typical examples of high-tech equipment.

The Asuka was built to ensure that the installation of radars and sonars—developed through research at labs and tanks and simulation —on destroyers in a satisfactory state. The word weapons will generally remind you of missiles, torpedoes and the like, but sonars and radars are also weapons.

Hotel-Like Comfort

The Asuka has an octagonal antenna dome, as if to ignore the need of stealthiness. Navies of various countries are reducing the height of bridge structures and eliminating lattice-like masts with exposed steel frames in order to improve stealth characteristics against radar. But in the case of this vessel, no consideration has been given to such points, possibly because it is a test ship.

Passages are slightly wider compared with destroyers of the same class, allowing deployment of the systems to be tested. It may be an exaggeration to say that the Asuka's comfortableness matches that of passenger liners, but the destroyers will probably have such an envious impression.

The number of crewmen is about 70, less than half those on destroyers, which require around 200. Further, female MSDF members account for about 10 percent of the crew. Females will be at last assigned to the engine department, which has been regarded as the workplace for men.

The Asuka can carry an additional 100 people for testing and has a spacious doctor's room so that it can engage in relief activities in case of disasters.

The captain's cabin is paneled, and a reception room has double the space of the captain's cabin of conventional destroyers. The ship has two rooms for female crew members—one for enlisted women and the other for officers—each with a bathroom and toilet.

Compared with destroyers, the Asuka is capable of producing nearly double the amount of water per capita for civilians in charge of tests, who are not accustomed to life on ships. The existence of women on board has nothing directly to do with this.

The rooms for enlisted men and women have no triple bunks. Each has a lounge with a television monitor, a radio outlet and sofas. To that lounge, three rooms are connected, each having double bunks for eight people and narrow lockers.

Then, do senior petty officer have bigger rooms than before? No, their rooms are much the same as those of existing vessels. It is like ordinary businesses, which pay special attention to picky freshmen without changing the treatment of people in the middle ranks. It seems to be the reality of the times that no major difference in treatment is necessary between veterans and freshmen.

Machines installed in the training room can compare with those at sport clubs in town.

Meeting rooms and test rooms for testing teams widely vary in size.

Labor Saving and New Equipment

Let us see on the exterior sections what cannot be hidden. Moorings now have the auto tension mechanism, a common function in civilian ships, while the accommodation ladder, used for alighting and boarding to and from shores with poor deck facilities, can be housed fully automatically.

The safety nets of the helipad, usually raised to prevent falling, are operated electro-hydraulically.

These are all examples of simple automation. Actually they can all be done manually, but the introduction of automation is like making copying machines at office fully automatic and installing coffee makers in rooms. The release from heavy but simple labor contributes much to the improved morale of people working there.

At the stern of the ship are a helicopter hangar which usually serves as equipment warehouse and a helipad for the SH-60J antisubmarine helicopter. But it will be long before research and tests of antisubmarine helicopters are conducted.

In the bridge, the number of people can be reduced. Anybody can discover this if the ship is opened to the public.

Integration of the operation of the engine section (which corresponds to the accelerator in a car) at the steering console cuts the number of required crewmen by one. By the way, the Asuka has a chair for the helmsman.

It is completely a thing of the past to stand at the helm in the center of the bridge and steer the vessel with the big wheel as if to hug it.

The Asuka uses optical data communications for intravessel communications, and voice exchange among sections is done with portable phones. Thus the number of orderlies standing on the bridge was also cut by one. Of course, automation also reduced people in the engine section. There is no voice tube either.

Unlike conventional destroyers, the bridge ceiling is all painted matte black, like U.S. naval vessels.

Heading for High-Tech Seas

The Asuka is to carry out three major tests for the time being. They involve the FCS-3 fire control system using phased array radars, flank array sonars, and electric propulsion equipment.

At the first glance, the FCS-3 looks like a smaller version of the Aegis system. But whereas the Aegis system is an information processing system, the FCS is fire control equipment consisting of an antiair search system and an attack system. They are clearly different. Although Japan lags far behind the United States in the world of personal computers, the country is on an equal footing in discrete semiconductors. A phased array radar is an aggregation of semiconductor chips.

Radars and sonars are the core of weapons systems, and America would not disclose technology to Japan, its ally. Therefore, if imported weapons fail, Japan has to send black boxes back to the United States and cannot identify the cause of trouble.

This seems to be a major reason for Japan's plan to develop domestic high technology, in addition to adhering to and nurturing its own technologies. Troops would probably feel uneasy not knowing well the inside of systems on which they have to depend for their lives.

Flank array sonars are under the water and usually cannot be seen. Simply put, are they conventional cylindrical sonars opened or disassembled and placed like plates on the bottom sections of the vessels both sides? When seen from outside, these sections slightly bulge out in an unseemly way.

These sonars should probably improve the accuracy of target location identification compared with conventional sonars.

What is intriguing is the electric propulsion system.

The main mission of MSDF destroyers is not antiair but antisubmarine operations. Antisubmarine operations use sonars, which can be adversely affected by noises generated by the destroyers themselves. They range from the sounds of waves plowed by the bow to the revolutions of the screws. These sounds also expose the destroyers to enemy submarines under the sea.

Among such noise sources, the reduction gear that transmits energy from the engine to the screws produces the largest mechanical noise.

The number of revolutions per minute of the screw shaft revolving in water is not high. Energy from the gas turbine revolving several thousands of times per minute must be transferred to the shaft after deliberately reducing the revolutions via multiple stages of reduction gear.

Navies of the world have been tackling the problem of reduction gear for decades but have yet to find a clear solution.

The Asuka challenges this issue with the COGLAG system. It adopts an electric propulsion system as test equipment, in addition to a conventional gas turine.

Some vessels have already used electric propulsion as auxiliary power, but it is difficult to make motors smaller and small motors cannot necessarily provide practical speeds.

The Asuka has a gas turbine engine exclusively for electric propulsion on an air-spring vibration isolation system, which is also used on Shinkansen bullet trains. Energy is conveyed to the motor placed between the screws and reduction gear via power converter to provide strong enough propulsion.

Readers may ask if there is any secret in the system. Of course, various development efforts and improvements have been made on many points and the system should provide propulsion no smaller than reduction gear.

Regrettably, however, it also has a demerit: the engine section, which originally requires a large volume of space, becomes even larger.

If this test ends in success, and electric propulsion is adopted as the main, rather than auxiliary, propulsion system, there will be no need for reduction gear someday. The MSDF already has small test vessels. But their capability is rather insufficient for research on operation effects of major equipment that calls for the boarding of many people with instruments to obtain detailed data.

It does not participate in actual battles and is an expensive purchase. But I expect that the vessel has enough performance for its price, making possible the fail-safe installation and operation of new weapons systems in the future.

North Korea

'Special Order' of ROK 'Warmaniacs' Denounced

SK0804102695 Pyongyang KCNA in English 1023 GMT 8 Apr 95

["Perilous 'Special Order' of Warmaniacs"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 8 (KCNA)—The chief of the General Staff of the South Korean puppet army reportedly issued on April 4 a "special order" of very bellicose nature for all ground units to "take a full combat posture."

The South Korean warmaniacs issued a "special order" of a higher degree than the commanding orders issued before. This is a grave military provocation against the North and an aspect of dangerous developments bringing the situation on the Korean peninsula to the brink of war.

The "special order" coincides with their frantic large-scale combined tactical manoeuvres for a surprise attack on the northern half of Korea, which involve more than 80,000 troops and huge combat equipment. This clearly indicates that the "South Korea-U.S. Joint Operation Plan 5028," which is designed to ignite a war against the North, is being carried into reality.

All facts vividly prove that the Kim Yong-sam group is, indeed, the very one that is deteriorating the inter-Korean relations to the extreme and may bring an unexpected situation to the Korean peninsula.

It is ridiculous for the warmaniacs to clamour about "dialogue".

War gamble and dialogue are incompatible.

The "dialogue" on the lips of the puppets is no more than a rigmarole to cover up their new war provocation manoeuvrings.

We cannot remain an onlooker to their war gamble, but are watching it with vigilance.

The puppets must clearly be aware of our self-reliant defence capabilities of defeating any formidable enemy at one stroke.

If the South Korean warmaniacs dare provoke a war against the North, ignoring this, they will meet a miserable end consequent upon our strong retaliatory strike.

ROK Tries 'To Obstruct' Accord With U.S.

SK0804053595 Pyongyang KCNA in English 0509 GMT 8 Apr 95

["Scheme for Providing 'South Korean-Model' LWR's Will Go Bankrupt"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 8 (KCNA)—The traitor Kim Yong-sam claimed again that "light-water reactors (LWR) of South Korean model must be supplied to the North" and "South Korea must play a pivotal role in their provision", according to "Radio No. 1" of South Korea on April 4.

He made this nonsensical remark with regard to the United States-Japan-South Korea "high-level negotiation on the provision of LWRs" in New York.

Kim Yong-sam ordered his underlings to make his claim implemented at the New York negotiation and went the length of openly threatening the North, blaring that "South Korea will not donate a penny if the South Korean model is not adopted" and that the "provision of the LWRs would result in failure if the North refuses to accede to the proposed South Korean model to the last."

Worse still, the puppet foreign minister, Kong No-myong, on April 6 clamoured about "international cooperation system" and "sanctions" and unhesitatingly made a declaration of all-out confrontation between the North and the South with such words as "chastisement" and "warnings", claiming that "South Korea will not join such a plan if the LWRs of the South Korean model are not adopted and it cannot play a pivotal role".

Such extreme utterances are these days rolling off from the tongue of the South Korean puppets almost every day. This is a last-ditch effort of the South Korean puppets to realise their sinister political purpose at the DPRK-U.S. negotiation on the provision of the LWRs.

As a matter of fact, the South Korean puppets have no justification nor qualification to poke their nose into the DPRK-U.S. negotiations. It is imprudent of them to say things about the issue which belongs only to the DPRK and the United States.

The DPRK and the United States are signatories to the DPRK-U.S. agreed framework. Accordingly, all issues including the issue of light-water reactor model must be discussed and settled between the two sides.

This notwithstanding, the South Korean puppets who were not a party concerned nor an observer are pretending to have a final say about the issue of the LWR model, crying for "South Korean model" and "pivotal role". This is the height of folly.

The DPRK has never invited South Korea to take part in the delivery of the LWRs nor expected it to play a "role".

Probably, the South Korean puppets involved themselves in the "Korean Peninsula Energy Development Organisation" either because they thought it "necessary" or because they were forced to do so. There cannot be other explanation.

So, it is a laughing-stock that they think their threat to withdraw from the organisation will put "pressure" on the North.

Even if the South Korean puppets withdraw from the organisation, the North has nothing to mind and worry about, because it is their own affair.

What the DPRK is obliged to do is to receive the LWRs from the United States according to the framework agreement.

The desperate efforts of the Kim Yong-sam group to obstruct the smooth implementation of the DPRK-U.S.

agreed framework are well illustrated by their attempts to prevent the temporarily suspended Berlin negotiation from being resumed.

As is well known, the third round of the DPRK-U.S. negotiation on the provision of the LWRs held in Berlin at the end of March escaped itself from a breakdown, and it was agreed to resume the negotiation in mid-April. This was because the DPRK side put forward an epochal proposal to tide over the present deadlock, and the U.S. side promised to study it.

The South Korean puppets, however, claim that this proposal was negative and they could not accept it, in an attempt to prevent the United States from acceding to it.

All these moves of the South Korean puppets cannot be construed otherwise than a vicious scheme to lay artificial obstacles to the negotiations on the provision of the LWRs and make the agreed framework null and void, thus driving the situation on the Korean peninsula to an extreme pitch of strain and doing harm to the North.

The bellicose moves of the South Korean puppets who are hampering the implementation of the DPRK-U.S. agreed framework and bringing the situation on the Korean peninsula to the brink of war will result in their own ruin.

It is a big miscalculation if they think that the DPRK comes out to the negotiation with the United States because it is fearful of "sanctions" or because it wants to evade them.

It is well known what the DPRK's stand to the "sanctions" is and what their consequences will be.

The warmaniacs must not run amuck like a newborn puppy that knows no fear of a tiger. If they finally take the road of military adventure in defiance of the North's repeated warnings, they will have to pay dearly for it.

No matter how frantically and desperately the traitor Kim Yong- sam may try, South Korea will never be allowed to play a "pivotal role" in the provision of the LWRs and the scheme to provide South Korean-model LWRs will eventually go bankrupt.

'Belligerent Moves' of U.S., ROK Denounced

SK0904082495 Pyongyang KCNA in English 0812 GMT 9 Apr 95

["Anti-North Belligerent Moves Continue"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 9 (KCNA)—The U.S. imperialist warmaniacs on April 7 let more than ten assault and pursuit planes fly to the sky above Changyong and Yongwol, South Korea, from their overseas base and stage a drill of intensively dropping a lot of bombs and going back to the base, according to military sources.

On the 5th and 6th, they sent 30 odd planes to the South Korean airspace from their bases in Japan for an exercise of a surprising attack on targets.

On April 7, the South Korean puppet clique staged a large-scale offensive exercise against the North in the central sector of the front.

After a river-crossing unit of the puppet army launched a surprising attack, latest-type helicopter gunships and tanks "assaulted" an imaginary area of the North and the main infantry unit "dashed" towards the imaginary area of the North. The puppets also staged an exercise of winning the air in the South Korean airspace with the mobilization of F-16 fighter planes and a drill of a quick landing on the east coast of Korea with a naval unit.

The U.S. imperialist warmaniacs and the South Korean puppets must promptly stop provocation moves aggravating the situation of the Korean peninsula.

U.S. 'Arms Buildup' on Peninsula Denounced

SK0904012895 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 8 Apr 95

[FBIS Translated Text] According to reports, the military class and bellicose forces [hojon saeryok] in the United States are running wild to accelerate the arms buildup and to complete preparation for a war of aggression on the Korean peninsula and its surrounding area, applying a brake on the implementation of the DPRK-U.S. agreed framework.

Babbling that sanctions are inevitable in the event we turn down their unjust pressure regarding the supply of light-water reactors, the U.S. conservative hard-line forces are mapping out plans to impose sanctions against the DPRK, thus driving the situation to the phase of strain [kinjang kungmyon].

South Korea's CHOSON ILBO 3 April issue revealed that included in the so-called plans for sanctions are diplomatic and economic countermeasures, deployment of an aircraft carrier flotilla on waters near the Korean peninsula, quick reinforcement of U.S. Forces in South Korea, and augmentation of weapons and war supplies.

In the meantime, the U.S. Defense Department has mapped out a so-called win-win strategy to prepare for a situation in which conflicts are simultaneously unleashed on the Korean peninsula and in the Middle East. For this, the U.S. Defense Department reinforced continental-based combat troops for overseas deployment from one corps to two corps.

In this connection, the U.S. Forces in South Korea and the puppet army are modifying details of the joint exercise plan, kicking up preparation for a war of aggression.

Texas 3d Corps, which was additionally designated by the U.S. Defense Department, is reportedly intensifying its training and augmenting its equipment in conformity with a new mission for overseas deployment.

The U.S. Defense Department is now reexamining an emergency system for the delivery of aircraft, warships, and military vehicles for a possible Korean war in the 21st century and is stepping up a plan to round off the Theater Missile Defense System by involving Europe and Japan in its development and introduction.

Such facts show that the bellicose forces in the United States are clinging to an anachronistic policy of strength [sidaechagojogin himui chongchek] and are recklessly running amok to stifle us militarily. However, the United States should clearly know that any sanctions or military threat and blackmail will not work on our Army and people, and should act prudently.

Poland's Cutting of Embassy Staff Criticized

SK0704233195 Pyongyang Korean Central Broadcasting Network in Korean 2115 GMT 7 Apr 95

[FBIS Translated Text] On 7 April a DPRK Foreign Ministry spokesman answered as follows a question raised by a KCNA reporter regarding a countermeasure [taeung chochi] recently sought by Poland against the withdrawal of its delegation to the Neutral Nations Supervisory Commission [NNSC] at Panmunjom.

That Poland withdrew its delegation at Panmunjom is not an issue that was triggered by bilateral relations. As everyone knows, under a situation in which the Korean Armistice Agreement and the armistice machine were paralyzed due to the United States, the Polish delegation to the NNSC was left with no other choice but to inevitably withdrew itself [pudukpul cholsu hajiannumyon andoeotta] on 8 March.

As a consequence, the issue that was sure to be raised in the course of establishing a new peace system on the Korean peninsula has been smoothly resolved. In addition, conditions for building a new house, called a new peace system, have been further prepared. In return, this strengthened our consistent position to establish a new peace system replacing the Armistice Agreement between the DPRK and the United States.

From the outset, we fully predicted that Poland would take such a step as cutting the staff at our embassy in Poland from a narrow-minded stance [hyobuihan ipchangeso] in the event the Polish delegation withdrew from the NNSC. However, since Poland's clumsy measure [chollorhan chochi] does not at all affect the establishment of a durable peace system on the Korean peninsula, we do not care. We are focussing on a bigger issue.

Under a situation, in which the armistice organ is totally wrecked in the wake of the withdrawal of the Polish delegation, which was the last to be stationed at Panmunjom, the issue of filling the gap has been raised as a pending issue that should be immediately resolved between us and the United States, our basic partner.

The discussions on this issue have been beefed up [simhwa] between us and the United States, and this issue will be resolved without fail. We will continue to take the necessary steps.

'Narrow-Minded Standpoint' Noted

SK0804044595 Pyongyang KCNA in English 0437 GMT 8 Apr 95

["DPRK Attaches Importance To Greater Issue Than Poland's Measure"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 8 (KCNA)—The spokesman of the Foreign Ministry of the Democratic People's Republic of Korea on Friday answered the question put by KCNA concerning the socalled "countermeasure" taken by Poland after the recent pullout of the Polish delegation to the Neutral Nations Supervisory Commission (NNSC) in Panmunjom.

The spokesman said:

The pullout of Poland's delegation from Panmunjom is not a matter raised in bilateral relations between the DPRK and Poland.

As everyone knows, it was inevitable for the Polish delegation to withdraw from the NNSC on March 8 as the Korean Armistice Agreement and the armistice organization have been paralyzed due to the United States.

Thereby, problems figuring unavoidably in the process of establishing a new peace mechanism in the Korean peninsula have the possibility of being settled smoothly and one more favorable condition for building up a new house termed peace mechanism has been created.

After all, it hardens the DPRK's consistent stand to sign a peace agreement in place of the Armistice Agreement with the United States.

We have already expected that the Polish Government would demand a cutback of the number of personnel of the DPRK mission in Warsaw from a narrow-minded standpoint in the wake of the pullout of the Polish delegation.

But, we do not mind the clumsy measure of Poland as it does not have any effect on the establishment of a solid peace mechanism in the Korean peninsula.

We attach great importance to another matter.

Since the armistice organization has utterly broken up with the pullout of the Polish delegation that had remained alone in the NNSC, filling its vacancy has come up as a pending matter to be settled without delay between the DPRK and its partner, the United States. The matter has come under deep discussions between the DPRK and the United States and it will be solved unfailingly in the future. We will continue to take necessary measures to this end.

Paper Urges Japan To Comply With Agreement

SK1004045095 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 8 Apr 95

[NODONG SINMUN 8 April commentary: "Things Will Work Out if the Agreement is Complied With"]

[FBIS Translated Text] On 30 March in Pyongyang, an agreement for resumption of DPRK-Japanese talks was signed between the delegation of the Workers Party of Korea [WPK] and the Japanese delegation of three coalition parties. Broad public opinion at home and abroad is now welcoming and supporting the agreement. The agreement clearly elucidates the principle for intergovernmental talks for normalization of DPRK-Japanese diplomatic relations and the attitude that should be assumed at the talks.

As is known, in September 1990, a historic three-party joint declaration was signed among the WPK, the Liberal Democratic Party of Japan, and the Social Democratic Party of Japan. The declaration expounded principles in promoting DPRK-Japanese relations. In the wake of this, the intergovernmental talks for normalization of diplomatic ties had taken place. However, due to the Japanese side's unjust position and attitude, the talks were suspended during the eighth round.

The ninth round of talks, which will be resumed this time, is a continuation of the talks that took place in the wake of the joint declaration adopted by the three parties. Therefore, the agreement itself is for resumption of DPRK-Japanese talks that was prompted by the historic three-party joint declaration. This proves that the three-party joint declaration is still valid and future talks should take place on the basis of the declaration.

As is stipulated in the agreement, the talks between the DPRK and Japan should be aimed at liquidating the unhappy past and establishing diplomatic relations between the two countries at an early date. In the past, Japan illegally occupied Korea and enforced colonial rule for more than 40 years, during which it inflicted immeasurable misfortunes and sufferings on the Korean people and plundered them of huge manpower and material resources at random.

Japan must duly apologize and compensate for that. This is the main issue in the relations between Korea and Japan. Only when this issue is settled, can other issues be resolved smoothly for improvement of the relations between the two countries. To this end, the recently adopted agreement clearly manifested the principled demand that Japan should apologize and compensate for the immeasurable misfortunes and sufferings it inflicted on the Korean people and establish diplomatic relations.

If dialogue is to be resumed between the two countries and practical progress is to be made at the talks for establishment of diplomatic relations, it is important to take a proper attitude and position toward them. The DPRK-Japanese talks were suspended and failed to be resumed entirely because the Japanese side laid artificial hurdles by raising unreasonable preconditions, such as our nonexistent nuclear issue. As a matter of fact, the Japanese side can be said to have no intention to hold the talks for resumption of dialogue for diplomatic normalization other than for the promotion of bilateral relations.

Whether Japan is willing to improve its relations with the DPRK or not will be manifested at the future talks. The DPRK-Japanese talks are virtually for the promotion of bilateral relations. Therefore, the talks must be held strictly from an independent and self-determined position. The lesson of the hitherto rounds of talks shows that if any party, like the Japanese side, acts without independence, minding what a third party says and reading its face, no success can be expected.

In the future, outside forces may attempt to abuse the DPRK-Japanese talks from its insidious and selfish motive. If the one side of the dialogue listens to what they say and advocates their interests, the DPRK-Japanese talks will make no progress at all. The parties that signed the agreement for resumption of DPRK-Japanese talks this time are ruling parties. These parties form the government.

The current Japanese prime minister who is also the chairman of the Social Democratic Party of Japan, and the chairman of the Liberal Democratic Party of Japan have already welcomed and supported the agreement.

The three-party joint declaration also had been signed by the ruling Liberal Democratic Party and the opposition Social Democratic Party of Japan. The Japanese prime minister and government had supported and welcomed it. This time, the current ruling parties all recognized the validity of the three-party joint declaration.

All this shows that the three-party joint declaration on DPRK-Japanese relations and the agreement for resumption of DPRK-Japanese talks have an intergovernmental binding force. Not only the two peoples of the DPRK and Japan, but also the people of the world, hope that the two countries liquidate the unfortunate past and normalize relations. All the questions depend on whether both the DPRK and Japan act according to the agreement. If dialogue resumes and success is achieved, it will be beneficial for both the two countries.

Kim Chong-il Defense Chairman Anniversary Noted

SK0904091595 Pyongyang KCNA in English 0907 GMT 9 Apr 95

["Second Anniversary of Election of Comrade Kim Chong-il as Chairman of National Defense Commission of DPRK Marked"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 9 (KCNA)—A national meeting was held at the February 8 House of Culture today to celebrate the second anniversary of the election of the great leader Comrade Kim Chong-il as chairman of the National Defense Commission of the Democratic People's Republic of Korea.

It was attended by Premier Kang Song-san and Vice-Presidents Yi Chong-ok and Pak Song-chol who are Politburo members of the Central Committee of the Workers' Party of Korea, and other party and state cadres, officers and men of the Korean People's Army [KPA] and working people in the city.

Overseas Koreans staying in the socialist homeland were present there.

KPA Vice Marshal Kim Kwang-chin, member of the National Defense Commission of the DPRK made a report at the meeting.

He said:

The election of Comrade Kim Chong-il, supreme commander of the Korean People's Army, as chairman of the National Defense Commission of the DPRK at the Fifth Session of the 9th Supreme People's Assembly held in the presence of the great leader Comrade Kim Il-song two years ago was a historical event of epoch-making significance in increasing the nation's defence capabilities and making the victorious progress of the revolutionary cause of chuche.

With the great leader Comrade Kim Chong-il, an outstanding military strategist and ever-victorious iron-willed brilliant commander, held in high esteem at the head of our revolutionary Armed Forces and national defense forces, the chuche cause of Army building which was started and led by the great leader Comrade Kim Il-song has been able to keep its blood pure forever and a firm military guarantee for impregnably defending our socialist cause from invasion and challenge of all hues of enemies and bringing it to completion with credit has been provided.

Today our people and People's Army, with Comrade Kim Chong-il held at the head of the party and revolutionary Armed Forces, are triumphantly advancing the socialist cause along the road of chuche, firmly safeguarding the leader's feats of the building of the party, country and Army in the complex and grim situation under which the international communist movement is undergoing ordeals.

Respected General Kim Chong-il is a great genius of military affairs who has performed immortal military exploits which will shine long in history by wisely leading our people and People's Army.

He strengthened and developed the People's Army to be each-a-match-for-a hundred revolutionary Armed Forces and consolidated the defense capabilities of the country as an impregnable fortress by strictly applying the self-reliant military line of the party. This is a priceless historic feat for the future development of our revolution and prosperity and development of the country.

He has directed big efforts to the strengthening of the People's Army, the hardcore in the all-people defense system, and thus reared it to be an invincible army of the party infinitely faithful to the leadership of the party, firmly prepared politically and militarily.

The party and Army constitute a harmonious whole in our country today. The People's Army has been strengthened and developed to be combat ranks of loyalty which has perfect traits befitting the Army of the leader, the party and the people.

The military power of the People's Army has increased incomparably under the leadership of Comrade Kim Chong-il. This is another brilliant historic success in carrying out the chuche cause of Army building. Today our People's Army has a matchless combat power capable of defeating any formidable enemy in the sky, on the ground and sea.

Great efforts have been made to arm the entire people and fortify the whole country under the energetic guidance of the respected supreme commander with the result that our all-people defense system has been solidified more firmly on a new, higher level.

Our national defense industry which covered a road of the dynamic development under his wise leadership has been built to be a powerful industry in which chuche is thoroughly established and which is highly modernized and automated, capable of producing any sophisticated weapons, if necessary.

With respected Comrade Kim Chong-il held in high esteem at the top of our revolutionary Armed Forces and national defense forces, the Army-people unity has been cemented still further in one thought and purpose in our country.

As we have built a strong self-reliant defense power capable of firmly defending the security of the country and the sovereignty of the nation by our own efforts, we could positively cope with the new belligerent manoeuvres of the enemy which caused a touch-and-go situation in recent years and resolutely smash their aggressive attempt and win one victory after another in the acute political and military confrontation with the enemy.

Saying that our people and officers and men of the People's Army are faced with tasks to make our country and our motherland more prosperous and carry to accomplishment the revolutionary cause of chuche down through generations, the reporter said that to this end, the whole party, the entire people and all the Army must closely unite around Comrade Kim Chong-il in one mind and remain faithful and devoted to his leadership.

Leadership Appearances at Meeting

SK1004005595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 9 Apr 95

[FBIS Translated Excerpt] A central report meeting took place yesterday at the 8 February House of Culture on the second anniversary of the election of Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, as chairman of the DPRK National Defense Commission. [passage omitted]

Present at the rostrum were Comrade Kang Song-san, member of the Workers Party of Korea [WPK] Central Committee Political Bureau and premier of the Administration Council; Comrades Yi Chong-ok and Pak Song-chol, members of the WPK Central Committee Political Bureau and vice presidents; Comrade Kim Yong-nam, member of the WPK Central Committee Political Bureau and vice premier of the Administration Council; Comrade Choe Kwang, member of the WPK Central Committee Political Bureau, vice chairman of the DPRK National Defense Commission, and chief of the Korean People's Army [KPA] General Staff; Comrade Kye Ung-tae, member of the WPK Central Committee Political Bureau and secretary of the WPK Central Committee; Comrade Chon Pyong-ho, member of the WPK Central Committee Political Bureau, member of the DPRK National Defense Commission, and secretary of the WPK Central Committee; Comrade Han Song-yong, member of the WPK Central Committee Political Bureau and secretary of the WPK Central Committee; Comrade Kim Chol-man, candidate member of the WPK Central Committee Political Bureau and member of the DPRK National Defense Commission; Comrade Yang Hyong-sop, candidate member of the WPK Central Committee Political Bureau and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, candidate member of the WPK Central Committee Political Bureau and chairman of the State Planning Commission; Comrades Yi Ul-sol, Kim Kwang-chin, and Kim Pong-yul, members of the DPRK National Defense Commission and vice marshals of the KPA; Comrades Paek Hak-nim and Kim Ik-hyon, vice marshals of the KPA; Comrades Hwang Chang-yop, Kim Chung-nin, and So Kwan-hui, secretaries of the WPK Central Committee; Comrades Kim Hwan, Kim Pok-sin, and Kim Yun-hyok, vice premiers of the Administration Council; Comrade Yun Ki-pok, chairman of the Economic Policy Committee of the Central People's Committee; Comrade Pak Nam- ki, chairman of the Pyongyang Municipal Administrative and Economic Committee; Comrade Chon Mun-sop, chairman of the State Inspection Commission of the Central People's Committee; and senior officials of party and state offices, administrative and economic offices, and labor organizations; anti-Japanese revolutionary fighters; commanders of KPA services and branches; and generals of the People's Army. The meeting began with the playing of the national anthem.

KPA Vice Marshal Comrade Kim Kwang-chin, member of the DPRK National Defense Commission, delivered a congratulatory report to the meeting. [passage omitted]

Kim Kwang-chin Speaks at Meeting

SK0904140395 Pyongyang Korean Central Broadcasting Network in Korean 0702 GMT 9 Apr 95

[Speech by Kim Kwang-chin, vice marshal of the Korean People's Army and member of the DPRK National Defense Commission, at a central report meeting marking the second anniversary of the election of Kim Chong-il as chairman of the DPRK National Defense Commission, held at the 8 February House of Culture in Pyongyang—live]

[FBIS Translated Text] Comrades: Today, we greet the second anniversary of the election of the great leader Comrade Kim Chong-il as chairman of the DPRK National Defense Commission at a historic time when all people as well as the officers and men of the People's Army all over the country are waging a vigorous struggle for the prosperity, strength, and development of their country, their fatherland, under the party's leadership, thus upholding the behest of the great leader Comrade Kim Il-song.

Two years ago, at the Fifth Session of the Ninth Supreme People's Assembly held in the great leader Comrade Kim Il-song's presence, all people as well as the officers and men of the People's Army elected the great leader Comrade Kim Chong-il, the supreme commander of the Korean People's Army [KPA], as chairman of the National Defense Commission, reflecting their consistent will and aspiration. This was a historic event of momentous significance for the strengthening of the country's defense capability and the victorious advance of the chuche revolutionary cause. [applause]

Our people as well as the officers and men of the People's Army who greet this significant day of festivity are filled with heart- piercing adoration and boundless reverence for the great leader Comrade Kim Il-song, who brilliantly realized their ardent desire to uphold the respected and beloved Comrade Kim Chong-il as the supreme head of the national defense forces [kukpangnyok]. At the same time, they keenly and gratefully feel the great fortune of steadfastly inheriting and completing the leader's revolutionary cause from generation to generation, upholding another great general comrade supreme commander in the center of leadership and in the center of unity.

By upholding the great leader Comrade Kim Chong-il, the outstanding military strategist and ever-victorious iron-willed brilliant commander, at the head of our revolutionary armed forces and national defense forces, the chuche army-building cause, which the great leader Comrade Kim Il-song pioneered and led, can adhere to its lineage forever and will have the firm military assurance of brilliantly fulfilling our cause of socialism and defending it like a fortress from all sorts of enemy encroachment and challenges.

All people as well as the officers and men of the People's Army are filled with firm faith and resolve to complete to the end the country's reunification and the chuche revolutionary cause under the leadership of the respected and beloved comrade supreme commander, having great national pride in upholding the great brilliant commander General Kim Chong-il who raises the People's Army to be a one-is-a-match-for-a hundred revolutionary armed forces, who solidifies the country's defense capability with an iron wall, and who firmly defends the socialist fatherland and the gains of the revolution.

As the history of the revolutionary struggle of the working class shows, to resolutely defend and fulfill the leader's cause of the revolution, the popular masses' cause of independence, we should have an outstanding leader who is boundlessly loyal to the leader and who is proficient in both governing and military affairs. This particularly becomes all the more important when the generations of the revolution change and when the imperialists and traitors of the revolution are engaged in open maneuvers to destroy and obliterate the working class party, the revolutionary armed forces, and the socialist system built by the leader.

Today, because our people and the People's Army have the great leader Comrade Kim Chong-il—who has both literary and military accomplishments, who is exemplary in loyalty and filial duty, and who has extraordinary political and military leadership—at the head of the party and the revolutionary armed forces, they firmly defend the party-building, state-building, and army-building achievements made by the leader, despite the complicated and grave situation which the international communist movement is going through, and are victoriously advancing the cause of socialism along the single road of chuche.

The respected and beloved General Kim Chong-il, whom our people as well as the officers and men of the People's Army uphold as the chairman of the DPRK National Defense Commission and as the supreme commander of the KPA, embodies the complete traits and qualifications of an extraordinary military strategist and outstanding sagacious general, and is a great military genius who wisely leads our people and the People's Army; he has made immortal military achievements that will shine for a long time in history. [applause]

The respected and beloved comrade supreme commander has brilliantly embodied the party's military line of self-defense, has strengthened and developed the People's Army into a one-is-a-match- for-a-hundred revolutionary armed forces, and has made the country's defense capabilities impregnable. This is an endlessly valuable historical process for the future development of our revolution and the prosperity of the fatherland. [applause] The mighty self- defense capabilities and all-people defense system being established in our country are the valuable gains of the revolution achieved by the wise leadership of the respected and beloved supreme commander Comrade Kim Chong-il, who exerted every effort for the implementation of the principle of self-defense in national defense, upholding the great leader Comrade Kim Il-song's chuche-based military ideology. [applause]

The respected and beloved supreme commander Comrade Kim Chong-il exerted much effort to strengthen the People's Army, which is the backbone of the all-people defense system, and to make the People's Army endlessly loyal to the party's leadership as well as an invincible and unrivaled strong army fully prepared politically and militarily. The might of the revolutionary army is its political and ideological might, and the leadership of the party is the source of the invincible strength of the revolutionary army. The respected and beloved supreme commander had the insight of these basic questions of army building, and presented the task of modeling the entire army after chuche as the general mission of army building. This served as an opportunity for the entire party membership to make an epochal turn in the work to firmly establish the party's leadership system and strengthen the People's Army into the leader's [suryong] army and the party's army.

Under the energetic leadership of the comrade supreme commander, and following the policy of modeling the entire army after chuche, political and ideological indoctrination work has been strengthened more than ever in the People's Army. All soldiers place first loyalty toward the party and the leader [suryong]. As chuche-type communist revolutionists, they are prepared to possess the spirit of one-is-a-match-for-a-hundred soldiers who would jump into water and fire without hesitation upon the orders and instructions of the supreme commander.

Under the unitary leadership of the comrade supreme commander, the chuche military leadership system has been firmly established, in which the entire army moves as one; the party's ideology and intention have been thoroughly embodied in all aspects of army building and military activities; and the revolutionary military morale based on the party ethos strongly controls all ranks of the People's Army.

Today in our country, the party and the army have achieved a harmonious unity. The People's Army has been strengthened and developed into loyal militant ranks that are completely and flawlessly equipped with the trait of the leader's [suryong] army, the party's army, and the People's Army. Under the leadership of the respected and beloved supreme commander Comrade Kim Chong-il, the military might of the People's Army has been matchlessly strengthened. This is another most brilliant historical achievement in implementing the chuche cause for army building. [applause]

The comrade supreme commander regarded intensifying combat training as the key to raising the People's Army as a strong army. Thus, he put forth the original training policy and principles as well as the fundamental demands and tasks to be solved in training, and exercised his leadership so that all soldiers may thoroughly follow the party's training-first policy.

As a great upturn is brought forth in combat training, our People's Army today has an invincible combat capability to defeat any strong enemy in the sky, on the land, and on the sea; all soldiers have been raised to be all-round soldiers who can superbly and skillfully carry out any combat mission under any situation.

Under the comrade supreme commander's wise leadership, the conversion of the army into a cadre army and the modernization of the entire army were vigorously pushed forward so that all officers and men possess the ability and qualification to take up and carry out jobs one grade higher; the People's Army has grown and has been strengthened to be an invincibly strong army, firmly armed with mighty modern weapons of our own style as well as combat technology and equipment.

The immortal revolutionary achievements made by the respected and beloved supreme commander Comrade Kim Chong-il in building our country into a military power is brilliantly embodied not only in the strengthening of the People's Army in every way, but in the thorough implementation of the policy of arming all the people, turning the entire country into a fortress, and solidifying the country's defense capability like an iron wall. [applause]

Under the energetic guidance of the respected and beloved comrade supreme commander, the struggle to arm all the people and to turn the entire country into a fortress was pushed ahead vigorously, thus further solidifying our all-people defense system on a new and higher plane.

The respected and beloved supreme commander Comrade Kim Chong-il brilliantly embodied the great leader's chuche-oriented policy of building a civilian armed forces and elucidated the fundamental problems and specific methods to strengthen the combat capability of such civilian armed forces as the Red Worker-Peasant Militia and the Red Youth Guards, importantly establishing their organizational system. Therefore, our civilian armed forces are more firmly prepared as a dependable garrison and reserve force of the People's Army, and are in complete combat readiness so as to cope with any modern warfare so they can firmly defend their home villages, plants, enterprises, and important facilities against the enemy's encroachment.

At the same time, turning the entire country—including fronts, coastal, and rear areas—into a fortress was more completely realized so that the entire country has been turned into an impregnable fortress capable of defeating any enemy in a timely manner no matter what time it attacks.

The respected and beloved supreme commander Comrade Kim Chong-il defined material and technological readiness in preparation for the war situation as one of the basic tasks for building a self-reliant national defense, and has energetically led the struggle to build a strong defense industry.

The might of the defense industry is the might of its self-reliance and chuche nature. The respected and beloved comrade supreme commander developed the defense industry into an independent industry based thoroughly on our strength, our technology, and our raw materials; he exercised his leadership so that its modernization may be actively accelerated.

Our defense industry, which has made vigorous progress under the wise leadership of the comrade supreme commander, has thoroughly established its independence, has been highly modernized and automated, and has been built to be a strong defense industry capable of producing any modern arms and equipment [kuotton choesinsik mujang changbido] that we want.

Under the farseeing and outstanding leadership of the great leader [suryong] and the respected and beloved comrade supreme leader, the might of the chuche-based defense industry that we have built through a long period of fortitude now strongly backs up the country's defense. Our socialist fatherland, which has such an invincible military, technological, and material guarantee in addition to its one-is-a- match-for-a-hundred revolutionary armed forces, is an impregnable fortress. [applause]

The blood-tie relations between the Army and the people is a basic demand in building the revolutionary Armed Forces and an important fountain for the invincibility of our own style of socialism. The respected and beloved supreme commander Comrade Kim Chong-il established the ethos with which the entire society emphasizes military affairs; stressed that highly demonstrating the traditional trait of Army-people unity is an important task for the victorious advance of Army building and the socialist cause; and vigorously carried out the work as an all-masses, all-society movement.

During the days when we upheld the respected and beloved Comrade Kim Chong-il at the highest position of our revolutionary Armed Forces and national defense, an unprecedented grand garden of Army- people unity came into full bloom in our country, and the unity between the Army and the people in ideology and will has been extraordinarily strengthened. The Army and the people are firmly united in one heart and one will centered around the great leader [yongdoja], sharing the destiny of life and death. All the people care and love the People's Army like their own children and brothers, and actively support them, both materially and morally. People's Army officers and men devote their lives to the people without hesitation, unsparingly showing the lofty traits of the guardians and creators of the people's happiness.

Under the wise leadership of the respected and beloved supreme commander Comrade Kim Chong-il, we have fully prepared the political, military, and material strength that will counter [taecho] any war of aggression by the imperialists. The country's defense capabilities have been strengthened more than ever. Our people have never been so confident as they are today. Because we have established on our own a mighty self-defendant national defense that can firmly defend the safety of the fatherland and the sovereignty of the nation, doing so during a time in recent years when the situation was strained to the breaking point due to the enemies' maneuvers for a new war, we took the lead in coping with the crisis, resolutely smashed [chitpusiosumyo] the enemies' invasion attempts, and recorded victories in succession in the acute political and military confrontations [taegyolchon] with our enemies.

Today, despite the difficult situation in which socialism has been hindered in various countries and the antisocialist offensives of the imperialists and reactionaries are focusing on our country, our party and people firmly adhere to their own choice of road of revolution with a strong self-defendant national defense, strongly demonstrating the invincibility of our own style of socialism. This is entirely a lofty fruition of the extraordinary and tested leadership of the respected and beloved supreme commander Comrade Kim Chong-il, who brilliantly embodies the immortal chuche idea and the self-defendant military line of the great leader Comrade Kim Il- song, and who developed our socialist fatherland into a great political and ideological country and an unrivaled strong military power. [applause]

Having the respected and beloved Comrade Kim Chong-il—who has a matchless and extraordinary wisdom as well as a unique leadership in the ever-victorious military strategies; who built the indomitable revolutionary Armed Forces and national defense to show off to the world the dignity and might of the chuche Korea [choson] and the heroic spirit of the Kim Il-song nation; and who is the most extraordinary revolutionary genius of our times, a great sagacious general, and the banner of victory of the socialist cause—as the leader [yongdoja] of the revolution is the utmost happiness and honor of our people and the People's Army. [applause]

On this meaningful occasion, I extend the greatest honor and the warmest gratitude, along with the unanimous admiration and fervent loyalty cherished by all the people and People's Army officers and men, to Comrade Kim Chong-il, chairman of the DPRK Defense Commission, supreme commander of the KPA, and great leader [yongdoja] of our party and people, who has brilliantly succeeded and developed the chuche military building cause pioneered by the great leader Comrade Kim Il-song, thus opening a new stage of great turnabout in building our revolutionary armed forces and national defense capability, and who is accumulating valuable immortal achievements for growth and prosperity of the socialist fatherland and the consummation of the chuche revolutionary cause. [applause]

Comrades:

Our people and People's Army officers and men, who have vigorously launched into a new historic onward march, upholding the great leader [yongdoja] Comrade Kim Chong-il at the head of the revolution, have the heavy and honorable task to enrich our country, our fatherland and consummate the chuche revolutionary cause to the end, generation after generation, by stoutly pushing ahead with the revolution and construction.

To accomplish this important historic mission, the entire party, all the people, and the entire Army should firmly unite themselves in one mind and one will around respected and beloved Comrade Kim Chong-il and uphold the leadership of the comrade supreme commander while fulfilling loyal and filial duties for him.

The great leader Comrade Kim Il-song taught: In order to succeed and complete the chuche revolutionary cause generation after generation, you should faithfully uphold Comrade Kim Chong-il who has both literary and military accomplishments and is leading the revolution and construction to victory.

It is the belief of our people, which was acquired deep in their hearts during the trial of the protracted revolutionary struggle, that the leadership of the respected and beloved Comrade Kim Chong- il is the lifeline of the chuche revolutionary cause, and that the ultimate victory of our revolution is firmly ensured in following the leadership of the comrade supreme commander. [applause]

With the firm faith that we are ever-victorious because the great leader [yongdoja] Comrade Kim Chong-il stands at the head of the revolution, we should endlessly admire and follow the respected and beloved comrade supreme commander as the lodestar of our destinies and the sun of our lives and should uphold the comrade supreme commander's leadership while fulfilling loyal and filial duties for him, as we did for the fatherly leader. [applause]

Loyalty to the leader [suryong] is represented, above all, by the loyalty to the leader's ideas. Deeply bearing the party's slogan urging them to more thoroughly arm themselves with the great leader Comrade Kim Il-song's revolutionary ideas, all the people and People's Army officers and men should arm themselves with the fatherly leader's revolutionary ideas and respected and beloved Comrade Kim Chong-il's ideas and theories, so that they can become genuine chuche-type servants who follow the leader's [yongdoja] intent and share their destinies with the party under the banner of the chuche idea under any stormy circumstance.

We should firmly adhere to our party line and policy, the embodied chuche idea, as the only just guideline of our revolution and make every effort to implement it, and by doing so, we should fully display our loyalty to the party and the leader in the practical struggle for building socialism and defending the fatherland.

As taught by the party, all the party members and workers as well as the soldiers of the People's Army must inscribe as a thorough faith that the road to living in our own style is the only road to socialist victory and the road to wealth and power and prosperity of my country and my fatherland. Also, they must resolutely advocate and endlessly elucidate the most superior socialism of our own style centered on the popular masses that has been provided by the great leader [suryong] and blossomed and developed by the respected and beloved Comrade Kim Chong-il. [applause]

Single-hearted unity is an invincible weapon of our revolution and a driving force of the victory of socialism of our own style. Just like the early days when the revolutionary communists of the new generation upheld the great leader [suryong] Comrade Kim Il- song with faith and integrity, we must treasure the absolute admiration toward the respected and beloved Comrade Kim Chong-il; defend the single-hearted unity of the party and revolutionary ranks centered on the great leader [yongdoja] like the pupil of the eye and further firmly consolidate it; and firmly establish revolutionary rules and order in which the entire party, the entire Army, and all of the people move as one under the leadership of the supreme comrade commander.

Upholding the party's cause with guns is an honorary duty of our People's Army. All the officers and men of the People's Army must abide by the fatherly leader's earnest behest to be endlessly loyal to the respected and beloved supreme comrade commander's ideology and leadership, and firmly prepare themselves to become loyal and dutiful revolutionary fighters having faith in and following only the great General Kim Chong-il and to become guns and shells advocating the respected and beloved supreme comrade commander with the door-die spirit.

Along with this, they must thoroughly implement the party's line of modeling the entire Army after the chuche idea so that the People's Army can become a single-heartedly united powerful army that has achieved unity with the respected and beloved supreme comrade commander and is magnificently possessed with the trait and might of the main force in completing the chuche revolutionary cause.

All the soldiers must firmly arm themselves with the chuche- oriented military ideology, theory, and tactics, and carry out our military activities based on this. Also, they must all the more thoroughly establish the revolutionary militant trait of implementing an order to the end by going through water and fire if it is an order by the supreme comrade commander.

The soldiers of the People's Army must practically carry out combat and political training according to the demand of the party's five-point training policy and the four-point training principles so they can be well versed in their militant duties, and all the more prepare themselves to become seething one-a-match-for-100 fighters possessed with magnificent tactics, marksmanship worthy of a crack shot, and iron-like physical strength.

We must endlessly modernize the armed equipment of the People's Army so that all military positions can be fortified without the slightest wavering from whatever surprise attack. By doing so, if the enemies invade even an inch of our territory, territorial sky, and territorial waters, we must be fully prepared for combat so that we can deliver resolute punishment.

Along with this, all the officers and men of the People's Army must highly manifest the traditional virtue of unity between officers and men, unity between party members and League of Socialist Working Youth of Korea members, and the spirit of loving the soldiers. By doing so, based on the lofty revolutionary comradely love and collective spirit, all the ranks must firmly unite in one mind and will to magnificently carry out the militant duties.

Defending the socialist fatherland is an all-people's work and a sacred duty of the Republic's citizens. All the party members and workers must hold a gun in one hand and a hammer and sickle in the other hand according to our party's consistent policy to push ahead together in defending the fatherland and socialist construction, and if the enemies daringly kindle the fire of war regardless of our warning, they must mercilessly smash [chyobusida] the aggressors and firmly defend to the last the socialist fatherland and the gains of the revolution.

In particular, members of the Red Workers Peasant Militia and the Red Youth Guards should strengthen their combat and political training to prepare themselves to reliably protect their work sites, villages, and schools.

To cope with the prevailing situation, we should continuously carry out work to thoroughly establish the traditional virtue of valuing the military in the entire society and to harden the all- people and all-state defense system.

The perfect unity between the Army and the people is a firm guarantee that makes it possible to extraordinarily strengthen the main forces of our revolution and to brilliantly consummate the party's revolutionary cause.

Being deeply aware that when our People's Army and people fight together while being firmly united on the single road of the revolution, they can defeat any strong enemy and can accomplish any difficult task, and they should brilliantly embody the party's idea on Army-people unity and further consolidate relations between the Army and the people.

All party members and working people should always remember that they can build socialism without worry and can enjoy happy lives because the People's Army soldiers are firmly defending the country's frontier and should love and wholeheartedly help the People's Army, valuable soldiers of the respected and beloved comrade supreme commander, like their own family members. [applause]

People's Army officers and men, genuine sons and daughters of the people, should always be aware that the People's Army cannot exist even for a moment without the people, fight with devotion to protect the people's lives and properties, fortify the country's frontier impregnably, and register heroic feats by actively participating in the struggle of socialist construction to enrich the people's life. [applause]

The implementation of the party's revolutionary economic strategies is the most important and urgent revolutionary task to prosper and strengthen the socialist fatherland, to enrich and civilize the people's life, and to consolidate and develop socialism of our own style. All functionaries, party members, and working people should achieve the goals of the revolutionary economic strategies without fail by carrying out an invincible struggle with the revolutionary spirit of self-reliance and fortitude, so as to harden the country's economic strength and elevate the overall living standards of our people. By doing so, they should vigorously demonstrate the superiority and invincibility of socialism of our own style.

Imminently, all sectors and units of the national economy should effect a new great upsurge in production and construction to honor this meaningful year, when the 50th founding anniversary of the Workers Party of Korea and the 50th anniversary of the fatherland's liberation will be marked, as the most glorious year in our party and our history. [applause]

All functionaries should deeply bear the party's great confidence reflected by their title, soldiers and pupils of the great leader [suryongnim], and should always enter the midst of the popular masses and eat together with them to correctly carry out economic organizational work, and should make every effort to improve the people's livelihood and always do more work than the masses while allowing the people to receive more benefits then themselves, with an attitude worthy of leading members of the revolution. By doing so, they should serve the party like tools and as standard-bearers in embodying our party's benevolent politics and make all work sites and fortresses seethe with fervent loyalty and labor feats.

Bringing an end to the national division and reunifying the fatherland is a foremost national task that cannot be delayed any longer and a historic cause to which the fatherly leader [oboi suryongnim] devoted his entire life.

All the people and KPA officers and men must firmly believe that achieving the fatherland's reunification in the nineties is definite because there is Comrade Kim Chong-il, the respected and beloved supreme commander, who is the lodestar of the fatherland's reunification, must crush every vicious maneuver by divisionists at home and abroad, and more resolutely fight to hasten the day of the fatherland's reunification.

We must vigorously accelerate the grand national march for reunification under the banner of the three principles of independence, peaceful reunification, and great national unity, the nation's common reunification program, and under the banner of the 10-point program of the great unity of the entire nation, remove all obstacles on the way to reunification, reunify the fatherland in the nineties without fail, and, thus, brilliantly fulfill the great leader's lifelong earnest desire and the 70 million fellow countrymen's long-cherished desire. [applause]

The revolutionary road on which we must embark is still thorny. However, because the great leader Comrade Kim Il-song's revolutionary idea, the chuche idea, casts a brilliant ray on our road and because Comrade Kim Chong-il, the respected and beloved supreme commander, leads our party and people in the vanguard, our victory is definite, and the chuche revolutionary cause is invincible. [applause]

Let us all vigorously fight to win a new victory in carrying out the chuche revolutionary cause and hasten the fatherland's independent, peaceful reunification after strongly uniting around the party Central Committee centered around the great leader [yongdoja] Comrade Kim Chong-il, who is the chairman of the DPRK National Defense Commission and the supreme commander of the KPA. [applause]

Long live the revolutionary idea of Comrade Kim Il-song, the great leader of our party and our people! [applause]

Long live Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people! [applause]

Kang Song-san Attends Meeting

SK0904083495 Pyongyang Korean Central Broadcasting Network in Korean 0657 GMT 9 Apr 95

[FBIS Translated Excerpt] [Unidentified male announcer] Listeners: We will now broadcast live coverage of the central report meeting marking the second anniversary of the election of Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, as chairman of the DPRK National Defense Committee.

[Unidentified female announcer] We are in the 6,000-capacity theater of the 8 February Cultural Hall.

A moment from now, a grand central report meeting will be held to mark the second anniversary of the election of Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, as chairman of the DPRK National Defense Committee. [passage omitted]

In attendance at the meeting are members and candidate members of the Central Committee of the Workers Party of Korea [WPK]; deputies to the Supreme People's Assembly; responsible functionaries of party and power organs, administrative and economic organs, social organizations, and central organizations; general-grade officers of the Korean People's Army [KPA]; anti-Japanese revolutionary fighters and bereaved families of revolutionary martyrs; soldiers of the People's Army; and city workers. Also attending the meeting are overseas compatriots who are now visiting the socialist fatherland. [passage omitted] [applause]

Appearing on the platform are party and state cadres, including Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Comrades Yi Chong-ok and Pak Song-chol, members of the Political Bureau of the WPK Central Committee and vice presidents; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee, vice chairman of the DPRK National Defense Committee, and chief of the General Staff of the KPA; vice marshals of the KPA; members of the National Defense Committee; responsible functionaries of the organs of the Armed Forces; anti-Japanese revolutionary fighters; responsible functionaries of the working organizations; and heroes.

Comrade Kang Hyon-su is officiating at the meeting. [passage omitted]

Paper on 'Weighty Significance'

SK0904084595 Pyongyang KCNA in English 0827 GMT 9 Apr 95

["Impregnable Is DPRK Guided by Great Commander"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 9 (KCNA)—NODONG SINMUN today carries an editorial upon the lapse of two years since the great leader Comrade Kim Chong-il was elected chairman of the National Defense Commission of the Democratic People's Republic of Korea.

The editorial says:

Respected Comrade Kim Chong-il was elected chairman of the National Defense Commission of the DPRK at the Fifth Session of the Ninth Supreme People's Assembly held on April 9, 1993, in the presence of the great leader Comrade Kim Il-song. It was a historical event of weighty significance in steadfastly defending the security of the country and the cause of revolution and triumphantly advancing Korean-style socialism and a satisfactory realization of the unanimous aspiration and desire of our people and all the officers and men of the People's Army.

The editorial quotes Comrade Kim Il-song as saying:

"Comrade Kim Chong-il has an indomitable will and grit and distinguished resourcefulness and commanding art befitting the supreme commander of the revolutionary Armed Forces. Herein lies a guarantee for the constant strengthening and development of our revolutionary Armed Forces and their invincibility."

Comrade Kim Chong-il is an outstanding military genius of the 20th century, the editorial says, and continues:

Respected Comrade Kim Chong-il has fully inherited the distinguished military quality and traits from Comrade Kim Il-song who defeated two powerful imperialisms and won worldwide fame as a legendary hero. He assisted his work, developing and enriching the chuche-based idea of army building, strengthening the revolutionary forces, increasing the nation's defence capacity and defending the dignity and sovereignty of the country and the nation with him.

In those historical years, Comrade Kim Chong-il performed undying feats in Army building for the time and the revolution, for the country and the people and enjoyed an absolute prestige as an outstanding military genius in our age.

With him at the top of the nation's defense forces, our people and the officers and men of the People's Army have been able to complete the cause of Army building started by Comrade Kim Il-song, with the chuche-based, ever-victorious military idea and theories.

Comrade Kim Chong-il, with unusual intelligence and tireless activities, provided the most correct guideline for the building of revolutionary Armed Forces by developing and enriching the chuche-based military idea and theories expounded by Comrade Kim Il-song.

With respected supreme commander Comrade Kim Chong-il at the top of the defense forces of the country, our People's Army founded and reared by Comrade Kim Il-song has had the opportunity to be strengthened and developed into an invincible Army forever.

Today the People's Army is replete with the revolutionary morale in which all the soldiers move as one on the order of the respected supreme commander, and with determination to devotedly fight for the party and the leader with loyalty. Its military and technical might, too, is great. Our People's Army boasts of itself being invincible revolutionary Armed Forces with powerful offensive and defensive means and the unique war method of chuche.

With such an invincible Army, each-a-match-for-a-hundred Army reared by Comrade Kim Chong-il, we are fearful of nothing.

All the people are armed and the whole country fortified under the leadership of the supreme commander, with the result that an all-people, all-state defense system has been fully established throughout the country and the worker-peasant Red Guards and the young Red Guards strengthened still further. And we have a powerful self-reliant defense industry capable of further updating the nation's defense capacity with our efforts.

The supreme commander has built powerful self-reliant defense forces under the difficult conditions in which our people had to build socialism, smashing the enemy's war provocation moves, confronted with the imperialists. This proud reality fully shows his extraordinary greatness.

Our republic will always remain an impregnable fortress under the experienced and tested leadership of Comrade Kim Chong-il, who is leading our revolutionary cause in the van with wisdom befitting a great brilliant commander.

'Talk' Stresses Unity Around Kim Chong-il

SK0804113095 Pyongyang Korean Central Broadcasting Network in Korean 0700 GMT 8 Apr 95

[Unattributed talk: "Wholehearted Unity Around the Great Leader Comrade Kim Chong-il Is a Decisive Guarantee for the Completion of the Chuche Revolutionary Cause"]

[FBIS Translated Text] Nine months have passed since the passing of the respected and beloved leader Comrade Kim Il-song who, for the first time in the 5,000-year history of this land, built the most superior socialism of our own style centered on the popular masses. Whenever the irresistible yearning for the fatherly leader pierces their hearts, all party members and working people firmly pledge they will uphold the great leader Comrade Kim Chong-il even better with loyalty and filial duty, combined with the loyalty and filial duty they failed to devote fully to the leader, and will fulfill the chuche revolutionary cause from generation to generation.

The respected and beloved leader Comrade Kim Il-song taught: To adhere to the popular masses-centered socialism of our country and brilliantly complete the chuche revolutionary cause, the entire party membership and all people must firmly unite around Comrade Kim Chong-il and uphold his leadership.

To fulfill the chuche revolutionary cause pioneered by the great leader from generation to generation, the entire party membership and all the people must unite wholeheartedly around the respected and beloved Comrade Kim Chong-il and uphold his leadership with loyalty. This is the decisive guarantee for the completion of the chuche revolutionary cause.

Since the respected and beloved leader who pioneered our revolution passed away, the chuche revolutionary cause has been winning victory after victory today just as the leader desired because the great leader Comrade Kim Chong-il is wisely leading this cause at the head of the party and the revolution. The dear Comrade Kim Chong-il declared it his lifelong mission to inherit and complete the chuche revolutionary cause following the fatherly leader's behest, and is vigorously leading the struggle for its realization. All his ideological and theoretical activities and practice struggles are consistently devoted to defending, adhering to, inheriting, and completing the chuche revolutionary cause. Therefore, to advance the chuche revolutionary cause victoriously and complete it to the end, we should further strengthen the wholehearted unity of the entire society. In other words, we should further strengthen the wholehearted unity of the entire party membership and all the people.

This is the most important task for our party and people today because, more than anything else, more firmly solidifying the wholehearted unity centered around the respected and beloved general is a firm guarantee for strengthening the main force of our revolution. To complete to the end the revolutionary cause pioneered by the leader, we must firmly solidify the main force of the revolution. Victory depends upon how we build the main force of the revolution.

If we have a strong main force of the revolution, we can turn misfortune into fortune and turn adversity into a favorable situation; we can successfully push ahead with the revolution and construction, overcoming any trials. However, if we do not have a strong main force of the revolution, we cannot avoid painful failure and vicissitudes. This is the truth shown by the protracted history of the revolution.

The main force of the revolution is the united body of the leader, the party, and the masses; its strength is determined entirely by having the great leader in the center of the unity and by how the revolutionary ranks unite around him.

When the entire party membership and all the people unite more firmly around the great leader Comrade Kim Chong-il, the main force of our revolution will have an invincible might, and our revolution and construction will advance more vigorously.

Another reason why more firmly solidifying the wholehearted unity around the great leader Comrade Kim Chong-il is the most important task for our party and people at present is that it is a mighty driving force to achieve the prosperity, strengthening, and development of our country, our fatherland. To make our country, our fatherland, more prosperous and stronger is the great leader's behest as well as the respected and beloved Comrade Kim Chong-il's firm resolve.

Therefore, the struggle to achieve prosperity, strengthening, and the development of our country, our fatherland, is noble work to realize the respected and beloved general's grand plan for building the fatherland.

The age in which we live is a glorious age when the great leader General Kim Chong-il's plan and intent are comprehensively brought to bloom. When the party and people are firmly united and realize his great plan for building the fatherland, the future of our fatherland will shine forever as an era of the great General Kim Chong-il.

The party and people should unite around the great leader to victoriously advance and fulfill the chuche revolutionary cause. This is the noble truth proven by the practical experience of the Korean revolution. Looking back on the past, the wholehearted unity of our party and people firmly united around the great leader Comrade Kim Il-song was the source of the invincible strength that pioneered and pushed ahead the Korean revolution.

With this mighty wholehearted unity, we defeated the U.S. imperialists and won a great victory in the fatherland liberation war; effecting a chollima upsurge on the ruins of the ashes in which everything was destroyed, we built an independent, self-reliant, and self-defending strong socialist state.

The wholehearted unity of our party and people is the immortal achievement that the great leader made while leading the Korean revolution over a protracted time, and is a noble asset he bequeathed to us. We should more firmly solidify the wholehearted unity of the entire party membership and all the people so that we may firmly maintain the chuche lineage of our revolution and continuously and vigorously advance along the single road of chuche as initiated and led by the great leader.

In our country today, the wholehearted unity of the entire party membership and all the people around the great leader Comrade Kim Chong-il is being solidified and developed on a new higher plane with the advance of the revolution. This firmly ensures the bright future of our revolution.

Nevertheless, we should not be satisfied at all with the success we have achieved. The Korean revolution is an arduous and long-term operation. Moreover, there have been generational changes in the revolutionary ranks. The third and fourth generations, to which the first and second generations of the revolution handed over the relay baton, consist of the main force in all sectors and units of the revolutionary guardposts. This demands that the wholehearted unity around the great leader General Kim Chong-il be solidified more firmly than ever.

All party members and working people should be aware that the decisive guarantee for the ultimate victory and completion of the chuche revolutionary cause is to unite more firmly and wholeheartedly around the great leader General Kim Chong-il, uphold the general's leadership with loyalty, and wage a vigorous struggle to further solidify and develop our wholehearted unity.

There will only be victory and glory in the future of our people who struggle, following the leadership of the respected and beloved General Kim Chong-il who wisely leads the struggle to inherit and complete the chuche revolutionary cause upholding the great leader's behest.

Kim Chong-il Extolled for Strengthening Army

SK1004082095 Pyongyang Korean Central Broadcasting Network in Korean 1025 GMT 9 Apr 95

[Dialogue by unidentified reporters: "During the Days He Fostered the Soldiers To Become Ideological Strong Forces"]

[FBIS Translated Text] [First reporter] Hello.

[Second reporter] Hello.

[First reporter] Amid the complicated international situation, our people today are firmly moving toward the road of socialism without wavering the slightest. Is that not so?

[Second reporter] Yes, that is true.

[First reporter] I believe this is due to the invincible revolutionary Armed Forces led by the great leader [yongdoja] Comrade Kim Chong-il. As such, having the peerless ranks—the Korean People's Army [KPA]—is indeed our nation's great honor and pride. Today, we will talk about some actual events on the days the respected and beloved Supreme Commander General Kim Chong-il fostered the soldiers to become ideological strong forces.

[Second reporter] Yes, let us do so. Is the struggle process of modeling the armed organization, which must guarantee the revolutionary cause pioneered by the leader [suryong] through arms, into the leader's [suryong] ideology, not a process of opening a new road in building the revolutionary force of the working class which no one has ever walked before? Many problems presented in this process were waiting for new research and unique solutions.

Stemming from the practical process of guiding our revolutionary force and the intrinsic demand of the People's Army, the respected and beloved Supreme Commander General Kim Chong-il elucidated a strategic method to further firmly consolidate the revolutionary force into an ever-victorious one, thus making it possible to carry out various research and study projects.

One of them was the problem of elucidating the struggle task of accelerating the cause of modeling the entire Army after the chuche idea. Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the KPA, sagaciously analyzed the concrete situation of the People's Army and the inevitable demand in the development of our revolution through outstanding wisdom and scientific insight. Based on this, on 14 February 1979, he put forth a strategic slogan before the People's Army of modeling the entire Army after the chuche idea. This is an outstanding contribution in strengthening the revolutionary force by the great leader [yongdoja] Comrade Kim Chong-il.

[First reporter] Yes, that is true. Since class and state were born, the Army was maintained as a means of violence of the state for a long time. However, there was no state at any time that realized the historic task of coloring their army into one ideology.

[Second reporter] Truly the past history of our people, which went through many vicissitudes, proves this well.

[First reporter] Yes, that is true. A long time ago, our country had small and large armed forces struggling to oppose the feudalistic ruling bunch and outside aggressors. When there was a war, even people living in straw-thatched huts ran out to participate in the war with knives in their hands. Since they did not receive the outstanding leader's [suryong] leadership and were not united with one keen ideology and clear goal toward which to struggle, it was inevitable for them to fail.

[Second reporter] When looking back, that was the case of the patriotic anti-Japanese troops that was organized before and after the Japanese imperialists forcibly occupied Korea, and when nationalists and the army for national independence fought separately by dividing into many small and large-sized groups.

However, in the thirties, the respected and beloved leader [suryong] founded the anti-Japanese guerrilla unit, a true revolutionary armed force of the people, for the first time in history. Since then, the armed ranks have been united through one great ideology and the historic cause to change the ranks into one ideology began. Therefore, the cause of the chuche idea of these armed ranks which started along with the birth of the anti-Japanese guerrilla unit—the revolutionary armed force of the working class—was continued by the People's Army after it was strengthened and developed into a regular army after liberation. Today, it is possible to have a clear method and basis to complete the chuche revolutionary cause by the great commander, the respected and beloved General Kim Chong-il.

[First reporter] In my opinion, the respected and beloved General Kim Chong-il's elucidation of the strategic slogan on remodeling the entire Army after the chuche idea, as well as the overall presentation of new and creative methods to implement it, was indeed a great event among his immortal achievements accumulated not only in strengthening and developing our People's Army but also in carrying out the working class' revolutionary struggle and building the revolutionary Armed Forces.

[Second reporter] I agree with you.

[First reporter] In the immortal work, "On Improving and Intensifying Propagation and Agitation Work in the People's Army," the great leader [yongdoja] Comrade Kim Chong-il considered remodeling the entire Army after the chuche idea as the general direction and goal of the propagation and agitation work and explained in detail the contents of propagation and agitation work to achieve this goal.

[Second reporter] That is right. The great leader Comrade Kim Chong-il noted in the work: It is a primary task to intensify indoctrination in the party's unitary ideology in the course of the propagation and agitation work in the People's Army and indoctrination of soldiers in loyalty to the great leader [suryongnim]. Loyalty to the great leader Comrade Kim Il-song is a decisive condition for the People's Army to maintain its natural character and fulfill its duties.

Loyalty to the leader is the life of our People's Army as the army of the leader and the party, is it not?

[First reporter] Yes, it is.

[Second reporter] Based on this idea, respected and beloved General Kim Chong-il regarded indoctrination in loyalty to the leader as the foremost task among the ideological work in the People's Army and earnestly taught all soldiers to have loyalty to the party and the leader as a rock-firm faith.

[First reporter] That is right. The great leader Comrade Kim Chong-il has also shown keen interest in intensifying indoctrination in revolutionary traditions in the People's Army. Under the slogan, "Let us receive training, learn things, and live in the anti-Japanese guerrilla-style attitude," he enabled the chuche revolutionary traditions to be generally achieved and developed in the People's Army. Respected and beloved General Kim Chong-il has strengthened the People's Army soldiers' yearly visits to revolutionary sites, such as Mt. Paektu, Samjiyon, and Wangjesan, and intensified indoctrination of them through the visits. Indeed, his efforts made for the political and ideological indoctrination of soldiers are immeasurable.

[Second reporter] They really are. Respected and beloved General Kim Chong-il has also shown deep interest in intensifying indoctrination in revolution, classes, and patriotism for the socialist fatherland, so as to make People's Army soldiers have great revolutionary consciousness, class consciousness, warm affection of the socialist fatherland, and determination to keep the Army impregnable.

In addition, he has led the propagation and agitation work to be carried out more systematically and exuberantly, by thoroughly embodying the anti-Japanese guerrilla-style work method in the course of political and ideological work in the People's Army.

Thanks to the wise leadership of the great leader Comrade Kim Chong-il, a new turnabout was effected in the work of political and ideological indoctrination inside the People's Army and all soldiers have grown up as genuine chuche-type revolutionaries who are boundlessly loyal to our party and have great revolutionary spirit and class-consciousness.

[First reporter] That is right. As mentioned, the respected and beloved Supreme Commander Comrade Kim Chong-il placed the political and ideological work in the People's Army on a firm ground, enabling the work to be carried out more vigorously, and continuously incited organizational and political work while leading the work of remodeling the entire Army after the chuche idea to be constantly intensified. Thus, the struggle to remodel the entire Army after the chuche idea has been stoutly carried out in all sectors and resulted in indeed surprising changes in the ideological and spiritual life of the People's Army and in fulfilling its military tasks.

The changes have demonstrated greater might and vitality as days went by, and our People's Army has been strengthened and developed into strong, matchless, and ever-victorious forces.

Let us conclude our discussion for today.

Kim Chong-il's 'Outstanding' Leadership Hailed

SK1004085995 Pyongyang Korean Central Broadcasting Network in Korean 0320 GMT 9 Apr 95

[Unattributed talk: "Invincible and Ever-Victorious are Our People's Army and People Who are Holding in High Esteem General Kim Chong-il, the Great Commander"]

[FBIS Translated Text] Today is a significant day that marks the second anniversary of the election of General Kim Chong-il, the great leader [yongdoja] of our party and people and supreme commander of the Korean People's Army [KPA], as chairman of the DPRK National Defense Commission.

Greeting this day, soldiers of our People's Army and all people are extending greatest honor and deepest thanks to the great General Kim Chong-il. General Kim Chong-il has fostered our self-defensive revolutionary Armed Forces into a powerful unrivaled indomitable Army with his outstanding military ideas and uncommon alchemy and noble moral influence, and is wisely leading them so that they can firmly defend the nation's security and people's dignity.

Today our People's Army has been firmly prepared politically, ideologically, militarily, and technically as revolutionary armed forces that defend and protect the party, the leader, the fatherland, and the people.

The People's Army has won fame as the army with ever-victorious indomitable might capable of smashing any enemy aggression at one stroke and of safeguarding the socialist fatherland as an impregnable stronghold.

Our People's Army has been strengthened and developed into the powerful, indomitable armed forces that it is today because we hold in high esteem the respected General Kim Chong-il—matchlessly outstanding commander—and because we are led by him.

The great leader Comrade Kim Il-song has taught: Comrade Kim Chong-il has indomitable will, courage, and outstanding strategy and alchemy worthy of a supreme commander of revolutionary armed forces. Herein lies the guarantee for constantly strengthening and developing our revolutionary Armed Forces and for attaining all victories.

The Army means the power of armed forces, and strengthening and developing the armed forces importantly depends on the greatness of the leader of the Army.

An army without an outstanding commander is an undisciplined mob and an army that holds the great commander in high esteem is mighty, and is able to win victory in fights against any enemy. This is a truth demonstrated by mankind's history of building the army and by the history of war.

General Kim Chong-il, the respected supreme commander who is leading the revolutionary Armed Forces of our people, is an outstanding military strategist with both military and literary accomplishments and is a peerlessly sagacious commander [huiseui yongjang].

The greatness of General Kim Chong-il as the outstanding commander lies, above all, in the fact that he put forward the policy of chuche-orientation of the entire Army and wisely organized and led so that the policy is thoroughly carried into accomplishment. He firmly organized the entire Army into combat ranks with loyalty and filial piety that are unswervingly loyal to the party and to the leader.

One cannot think of military power without political and ideological might. Only the Army with the lofty political and ideological standard of the soldier masses—the masters of military works—can fully display its combat capabilities and can be ever-victorious and invincible.

The great leader Comrade Kim Chong-il has a deep insight into the significance of strengthening the political and ideological might of the Army from the early stage of leading the chuche-based cause of army-building. He assumed the remodeling of the entire Army on the chuche idea—the great leader's [suryongnimui] revolutionary idea—as the basic policy of building the Army, and elucidated tasks and methods for implementing the policy.

Under the energetic guidance of the great General Kim Chong-il, various types of ideological indoctrination works, including education of the principle of the chuche idea, were vigorously carried out within the Army. In particular, the movement to learn from and follow the lofty examples of anti-Japanese revolutionary fighters, who remained unswervingly loyal to the great leader [suryongnim] in the past, and of heroic fighters of the fatherland liberation war, has been vigorously carried out.

As a result, our Armed Forces are filled only with the chuche idea—our party's monolithic idea—and a revolutionary spirit to absolutely accept the order and directive of the great leader [yongdoja] Comrade Kim Chong-il and to unconditionally and thoroughly implement them was firmly established. Thus, all soldiers have grown to be loyalists and faithful sons and daughters who defend the party and the leader with their lives.

Today the resolution to deeply trust and follow the great general, no matter how many times the world may change, and to share a destiny with the general at any time and under any circumstance, has been markedly increased among the soldiers of our People's Army. This is a precious fruition attained in the course of struggle to remodel the entire Army on the chuche idea by following the leadership of the respected comrade supreme commander.

The greatness of the respected General Kim Chong-il as the great commander also lies in the fact that he firmly armed our People's Army militarily and technically with his uncommon strategy and alchemy, and fostered the People's Army into a strong indomitable Army capable of coping with any modern warfare.

The political and ideological might of the Army will prove of greater worth when it is supported by military and technical might. Furthermore, modern warfare is a three-dimensional war in which numerous modern arms and equipment and combat instruments are mobilized at the same time. Therefore, in this situation, military and technical preparations are indispensable.

The respected General Kim Chong-il has perfectly realized the chuche-oriented strategy and tactics of the great leader [suryongnim], and created new unique tactics that correspond to the characteristics of modern warfare, thus arming the entire Army with such tactics.

He fostered commanders of each unit of the People's Army into able military commanding functionaries with knowledge on modern military science and military technology, who are capable of skillfully commanding modern warfare. He energetically led all soldiers so that they become well versed in modern weapons and technological combat equipment and that they can skillfully handle them.

In particular, the great General Kim Chong-il, attaching great importance to the modernization of arms and equipment of our People's Army, wisely organized and led this work so that it was carried out in our own style according to the concrete situation of the nation, based on the chuche-oriented position.

Thanks to this outstanding and refined leadership, the arms and equipment of our People's Army have been highly modernized and automated, and its combat power has been markedly enhanced.

Today, our People's Army has been strengthened and developed into one-a-match-for-100 revolutionary Armed Forces, which are firmly prepared not only politically and ideologically but also militarily and technically. Indeed, we cannot think of this without respected Supreme Commander General Kim Chong-il, who put forward unique military ideas, theories, and tactics since the early days, and made continued tireless efforts to realize them in building military Armed Forces.

The greatness of General Kim Chong-il as the sagacious commander lies in the fact that with his trust in and love of the soldier masses, he made our People's Army invincible revolutionary ranks that attained single-hearted unity.

Unity is a source of indomitable might, and trust and love are a firm guarantee for achieving unity.

The great leader Comrade Kim Chong-il led the cause of the building of the Army by assuming as his motto the great leader's [suryongnimui] idea of loving the people as if they were heaven. He firmly trusts every soldier as his precious revolutionary comrade, thus rendering great love and benevolence. He is warmly looking after the soldiers so that they can satisfactorily fulfill their military missions.

The one who heralded the fighters, who were sacrificed after fulfilling their deserved missions, as heroes so that they are known even to the next generations, is none other than General Kim Chong- il, the supreme commander, and the one who looked after the soldiers' lives like a father, even visiting outposts on the seashore where the wind is violent and fierce, and who gives his wholehearted love to the soldiers, is none other than our general.

Because he has such trust and love, all soldiers, ranging from old anti-Japanese fighters to young soldiers, endlessly admire and hold in high esteem the respected General Kim Chong-il, and are unswervingly fighting in firm unity around him in one mind and one will.

Indeed, the wholehearted unity between the supreme commander and the fighters—in which the supreme commander trusts and loves the fighters while the fighters trust and follow the supreme commander—can be seen only in our People's Army.

Because we are upholding the great commander, General Kim Chong-il, who has uncommon military wisdom, outstanding alchemy, and lofty moral character, in the highest position of our revolutionary Armed Forces, the People's Army could be strengthened and developed into invincible, ever-victorious Armed Forces that are standing above the others in terms of politics, ideology, military, technology, morality, and a sense of obligation.

Today our People's Army, under the warm care of the great commander, is fully displaying its invincible might in defending the fatherland and at the sites of great socialist construction struggles.

The People's Army is unswervingly defending the socialist fatherland with a full combat preparedness to smash the enemy at a single stroke, no matter when and how the enemy may provoke us, and is guaranteeing the chuche revolutionary cause with the Armed Forces.

In addition, the soldiers, who participated in the grand socialist construction to make our nation and fatherland richer and wealthier, are fully displaying the honor as fighters of the great general by effecting great labor exploits.

This is clearly proven by the fact that the soldiers of the People's Army, who rose in the construction of the second-stage Chongnyu Bridge and of Kumnung No 2. Tunnel by upholding the order of supreme commander of the Korean People's Army last year, are carrying out a vigorous labor struggle in order to expedite the glorious day to make the report on completion of the project to the respected General Kim Chong-il.

Because there are ever-victorious, indomitable revolutionary Armed Forces that are holding in high esteem the great iron-willed commander, today our people are expediting the socialist construction and the historic cause of national reunification with firm confidence in victory, by crushing vicious maneuvers of the imperialists and reactionaries to smash our Republic, the stronghold of socialism.

It is the greatest honor and a great fortune for our People's Army and people to uphold the great General Kim Chong-il, the most distinguished commander among distinguished commanders whom the world's people respectfully uphold.

No strength in the world can block the advance of our People's Army and people who are vigorously marching forward by cherishing this honor and pride and by following the leadership of the Supreme Commander General Kim Chong-il.

Kim Il-song Portrayed as 'Legendary Hero'

SK1004103895 Pyongyang KCNA in English 1028 GMT 10 Apr 95

["President Kim Il-song, Legendary Hero"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 10 (KCNA)—The Korean people highly praise and deeply revere the great leader President Kim Il-song as a legendary hero and the sun of the nation.

They keenly felt the greatness of President Kim Il-song in the 1920s and have since then looked up to and followed him. On the occasion of his birth anniversary, April 15, they are yearning for him, looking back to the career of a legendary hero, which will shine long in history.

The great leader Comrade Kim Chong-il said:

"The leader is a person produced by heaven and an outstanding great man respected by the world people."

There are many legends lauding President Kim Il-song in Korea. They, which have been conveyed generation after generation, are based on the facts on his greatness and extraordinariness.

"A general star rose above Mt. Paektu."

"From old times there is a saying that a sage from Mt. Paektu will pacify Korea. The day of Korea's independence is not far off because General Kim Il-song, the greatest ever known in history, was descended from heaven."

The legends tell that in the dark years of the Japanese imperialist colonial rule the Korean people looked up to President Kim Il-song, who gave them a hope for and faith in revival, as the sun and star and that they regarded him as a sage produced by Mt. Paektu, the highest mountain in Korea.

Some of the legends lauding President Kim Il-song tell that in the years when the Korean people were deprived of their country and rights they sent letters carrying their petitions to President Kim Il-song, not to the Japanese imperialist colonial ruling organs.

"Letter with a chicken feather" is one of them.

The legend tells that the letter reflected a call for the punishment of the barbarous Japanese imperialist aggressors and their evil running dogs for maltreating the Koreans and misfortunes and sufferings of a village. The letter with a chicken feather in a corner of the envelope was held sacred so as to be sent to President Kim Il-song as soon as possible. Such letter was sent to Mt. Paektu secret camp where President Kim Il-song was via houses and villages. As a result, the earnest desires of the people were realised without fail.

Many legends on Mt. Paektu are about admiration at the rare wisdom, outstanding commanding art and ever-changing guerrilla warfare methods of President Kim Il-song, who had the one million troops of Japanese imperialism under his thumb in the anti-Japanese war.

Among them were "General Kim Il-song has a perfect command of the arts of shortening distance and of disguising, concealing and dividing oneself", "General Kim Il-song with the soul of Mt. Paektu does any wonder of nature and has clairvoyance," "General Kim Il-song removes and makes a peak, goes hundreds of kilometres in a night and appears now in the east and then in the west in a flash," "General Kim Il-song turns sand into rice, tree branch into bomb and sails across a river with a sheet of paper, inflicting wholesale deaths upon the enemies", etc.

These legends highly praise the president's ever-changing, ever- victorious superb guerrilla warfare tactics such as advancing a thousand ri at a bound.

Victorious battles of the anti-Japanese guerrilla army led by the president gave the oppressed people conviction of national liberation.

In the dark years of national ruin the Korean people regarded the august name of President Kim Il-song as symbol of national resourcefulness, spirit, strength and bravery and spoke highly of his great personality and heroic exploits through the medium of legends and songs.

President Kim Il-song with ever-victorious leadership ability led the Korean people to liberate the country and built a powerful country, independent in politics, self-supporting in the economy and self-reliant in national defence and a paradise for the people where everyone enjoys all blessing.

The passing away of the president was the biggest misfortune for the Korean people. But they are now striving hard to carry forward to completion the revolutionary cause of chuche started by the president.

Korean People's Army Sports Contests Held

SK1004103695 Pyongyang KCNA in English 1017 GMT 10 Apr 95

[FBIS Transcribed Text] Pyongyang, April 10 (KCNA)—The sports contests of the Korean People's Army took place in Pyongyang and local areas.

Different sports teams competed in football, basketball, volleyball, table tennis, boxing, wrestling, judo, shooting, marathon and other events at the contests.

South Korea

IAEA Director Discusses Inspection Program

SK0804050295 Seoul YONHAP in English 0451 GMT 8 Apr 95

[FBIS Transcribed Text] Seoul, April 8 (YONHAP)—South Korea Saturday expressed its support for efforts by the International Atomic Energy Agency (IAEA) to improve the agency's ability to inspect nuclear facilities of its member countries for the purposes of nonproliferation.

Foreign Minister Kong No-myong said that South Korea will support the "93"2 program" which aims to give the IAEA the authority to conduct examinations of "undeclared" nuclear facilities, according to a Foreign Ministry official.

Kong made the remarks while meeting with IAEA Director General Hans Blix over breakfast, said the official who attended the meeting.

Blix explained that the IAEA needs help from member countries to introduce the new inspection program because the program is not legally binding, said the official.

The current safeguards in the Nuclear Nonproliferation Treaty (NPT) stipulate that only declared nuclear facilities can be inspected.

The 93"2 program was launched in 1993 when it was found that Iran had concealed nuclear materials despite the fact that Iran had undergone IAEA inspections.

Blix also wanted South Korea to improve its cooperation with the IAEA, evaluating the country as one of the most successful users of "sustainable" atomic energy with over 40 percent of its total energy production coming from nuclear power plants, said the official.

The official, however, did not want to divulge what Kong and Blix discussed in regard to the North Korean nuclear issue, saying Blix came to the country on condition that he keep a low profile amid the ongoing international negotiations to settle the differences over the type of nuclear reactors to be provided North Korea in return for freezing its suspected nuclear program.

"Blix came here only to attend a ceremony celebrating the installation of the Korean-made Hanaro nuclear power plant in the southern part of the country," said the official who added that Blix did not want to give a press conference.

He, however, did not deny that Kong and Blix exchanged views on the North Korean nuclear issue, saying "It's very natural for the IAEA director general to have talks with Kong or any others whom he meets at this time on the situation surrounding the North Korean nuclear issue. [no closing quotation mark as received]

Kong will meet with President Kim Yong-sam before leaving the country later in the day.

He flew to Korea Thursday at the invitation of Science and Technology Minister Chong Kun-mo.

Says DPRK Preparing Yongbyon

SK0804084095 Seoul YONHAP in English 0837 GMT 8 Apr 95

[FBIS Transcribed Text] Seoul, April 8 (YONHAP)—Hans Blix, director-general of the International Atomic Energy Agency (IAEA), said on Saturday [8 April] that North Korea is preparing to reload the five megawatt research reactor in Yongbyon, a Foreign Ministry official said.

He quoted Blix as saying that although North Korea is implementing the agreed framework with the United States, it recently began to prepare to reload the reactors. He said that the IAEA is watching the North Korean move carefully.

Blix made the remarks at the breakfast meeting with South Korean Foreign Minister Kong No-myong at Hotel Shilla here.

However, two IAEA inspectors in North Korea are doing their routine work and North Korea has not restricted their activities yet, Blix was quoted as saying.

Report Denied by Foreign Ministry

SK0804114595 Seoul YONHAP in English 1141 GMT 8 Apr 95

[FBIS Transcribed Text] Seoul, April 8 (YONHAP)—The Foreign Ministry denied on Saturday [8 April] the report that Hans Blix, director-general of the International Atomic Energy Agency (IAEA), said North Korea is preparing to reload the five megawatt research reactor in Yongbyon.

There was a report Blix told South Korean Foreign Minister Kong No-myong that although North Korea is implementing the agreed framework with the United States, it recently began to prepare to reload the reactors.

Holds Meeting With Kim Yong-sam

SK0804074595 Seoul YONHAP in English 0722 GMT 8 Apr 95

[FBIS Transcribed Text] Seoul, April 8 (YONHAP)—South Korean President Kim Yong-sam received Hans Blix, director-general of the International Atomic Energy Agency (IAEA), on Saturday [8 April] and exchanged views on peaceful use of atomic energy and situation on the Northeast Asia.

President Kim rated high the IAEA's efforts for nuclear nonproliferation in the cause of world's peace and stability and expected that the nuclear watchdog will play a fair role for denuclearization of the Korean peninsula as well as world's nonproliferation system.

Blix flew to Korea Thursday at the invitation of Science and Technology Minister Chong Kun-mo.

U.S., North Plan To Resume Reactor Expert Talks

SK0804015695 Seoul YONHAP in English 0145 GMT 8 Apr 95

[FBIS Transcribed Text] Washington, April 7 (YONHAP)—The U.S.-North Korea reactor experts' talks in Berlin will resume on April 12, the U.S. State Department reported Friday.

Christine Shelley, a department spokeswoman, said the meeting will be the continuation of the previous Berlin talks that were adjourned after a three-day session March 25-27.

The upcoming meeting is expected to focus on ironing out serious differences over the issue of whether or not the reactors to be provided North Korea under the U.S.-North Korea nuclear agreement will be South Korean standard model light-water reactors.

To work out a strategy for the Berlin meeting, senior nuclear officials from South Korea, the United States and Japan met in New York Friday.

The meeting reaffirmed that there cannot be any concessions on the principles that the reactors to be furnished to North Korea shall be a South Korean model and that South Korea shall play a central role in the reactor project.

Attending the talks held in New York were Choe Tong-chin, head of South Korea's office of planning for the light-water reactor project, U.S. Nuclear Ambassador Robert Gallucci and Japanese Ambassador Tetsuya Endo.

Yet, the possibility exists that the United States may try to strike a compromise plan with North Korea through high-level political contacts should a reactor contract fail to be signed by the target date, April 21, between the Korean Peninsula Energy Development Organization (KEDO) and North Korea.

At the previous Berlin talks, North Korea was said to have asked for a redesigned U.S. model, the prototype of the South Korean standard model, a legal guarantee by the United States of the construction of the reactors and additional financial support for power transmission facilities.

Asked if U.S. delegates were considering a new compromise plan, spokeswoman Shelley simply said the matter would be fully discussed at the tripartite meeting among South Korea, the United States and Japan.

During the adjournment period of the Berlin talks, written opinions had been exchanged between the North and the United States very often, Shelley said.

Seoul, U.S., Japan Consult on DPRK Issue

SK0804051195 Seoul YONHAP in English 0457 GMT 8 Apr 95

[FBIS Transcribed Text] New York, April 7 (YONHAP)—South Korea, the United States and Japan Friday reaffirmed the stand that the reactor project can be implemented only if a South Korean model is used as the light-water reactors to be supplied North Korea and if South Korea plays a central role in the project.

At their high-level ambassadorial meeting held at the U.S. Mission to the United Nations here, the three countries decided to cope, based on that stance, with the U.S.-North Korea reactor experts' meeting resuming in Berlin April 12.

They also affirmed a policy to take firm punitive steps against North Korea, including United Nations Security Council sanctions, should North Korea refuse to accept a South Korean model and partially lift their nuclear freeze by, for instance, reactivating their nuclear reactor.

"There was no difference at today's meeting among the three countries with respect to the reactor issue," Choe Tong-chin, South Korean delegate and head of the office for planning the light-water reactor project, said.

He said there was no demand from the United States for a change in the name of South Korean-model reactors. "The press reports that Washington had made such a request are not true," he said.

On reports that North Korea offered a compromise plan at last month's U.S.-North Korea Berlin talks, Choe said there was nothing new in the so-called North Korean overture which he said was a mere repetition of their existing position.

Choe went on to say that since Friday's meeting was concentrated on ways to cope with North Korea at the coming Berlin meeting, it did not address the question of linking the reactor project to any relations improvement between Washington and Pyongyang.

In addition to the tripartite meeting, the three countries held separate bilateral talks on the reactor project and also the second KEDO (Korean Peninsula Energy Development Organization) executive meeting to discuss KEDO's operations.

The executive meeting approved Canada's application for KEDO membership.

The three-country meeting was attended, besides by Choe, by U.S. Nuclear Ambassador Robert Gallucci and Japanese Ambassador Tetsuya Endo.

Reaffirm ROK Reactors Position

SK0804053795 Seoul YONHAP in English 0523 GMT 8 Apr 95

[FBIS Transcribed Text] Seoul, April 8 (YONHAP)—South Korea, the United States and Japan reaffirmed their position Saturday that they would stick to the original plan to provide South Korean standard nuclear reactors to North Korea, a senior Foreign Ministry official said Saturday.

"There will be no change in the position of the United States and its allies when the United States confronts North Korea at the next round of nuclear talks in Berlin Wednesday," said director general of the American Affairs Bureau Yim Sung-jun.

Yim gave the briefing concerning the outcome of the three-way talks in New York Friday which discussed strategies for the nuclear talks between Pyongyang and Washington to be held Wednesday in Berlin.

South Korea agreed with the United States and Japan to have further talks concerning the North Korean nuclear issue right after the April 21 target date, established by the nuclear agreement between Pyongyang and Washington, for the conclusion of the contract which is to provide nuclear power plants to North Korea, if the North continues to insist on getting nuclear reactor models other than South Korean ones, Yim said.

He said that South Korea did not consider the North's proposals during the previous Berlin talks "epochal", adding the North made no basic changes to their previous position.

He, however, refused to comment on exactly what the three countries discussed during Friday's meeting, saying "I cannot reveal the contents of the meeting because they consist of a major part of our strategies for the Berlin talks."

Choe Tong-chin, secretary general for the Office of Planning for the Light-Water Reactors Project, represented South Korea at the New York meeting. His American and Japanese counterparts were Nuclear Ambassador [title as received] Robert Gallucci and Tetsuya Endo, ambassador in charge of nuclear affairs.

Decision Made on Policy, Tactics

SK0904014295 Seoul YONHAP in English 0135 GMT 9 Apr 95

[FBIS Transcribed Text] Seoul, April 9 (YONHAP)—South Korea and its major allies have decided to declare the termination of the U.S.-North Korea experts talks if Pyongyang does not accept the South Korean model of light-water reactors at the experts meeting slated for Wednesday in Berlin, a senior Seoul government official said Sunday.

The official said the decision was made at the just-ended strategy meeting held in New York among the nuclear ambassadors of South Korea, United States and Japan.

"A review of the North Korean idea disclosed at the previous U.S.-North Korea experts talks held in Berlin March 25-27, indicated North Korea wishes to have light-water reactors but has no plan to accept a South Korean model for a political reason," he said.

The three countries, the official said, agreed at the New York meeting to adhere to the principle of using a South Korean model, sharing the view that if North Korea reiterates its existing position, there would be no need to carry on the bilateral experts talks.

However, he did not rule out the possibility that if North Korea accepts a South Korean model at the upcoming Berlin talks, the experts meeting would go on or there would be another-level political talks.

"We concluded that the alleged new overture North Korea set forth at the previous Berlin talks was merely part of their tactics to keep their talks with Washington alive as well as to shatter the tripartite cooperative system," he said.

"Our policy is that if no affirmative change is shown in the North Korean posture at the resumed Berlin talks, we won't carry on the talks any further," the official said.

According to him, signs are that North Korea tries to keep the climate of dialogue at least until the Pyongyang festival ends toward the end of this month. He added that therefore the true intent of North Korea may be shown after late this month.

The official further said that the three countries shared the view that if North Korea moves to lift the freezing of their nuclear program, they would regard it as the scrapping of the U.S.-North Korea nuclear agreement and would, as a result, revert the North Korean nuclear issue to the pre-agreement state.

If North Korea retains the nuclear freezing as it is, however, the three countries won't retract the policies of preparing to exchange liaison offices between the United States and North Korea, easing sanctions against North Korea and providing heavy oil to North Korea, the official added.

Dailies Review Outcome of Talks

SK0904053695

[FBIS Editorial Report] The following is a compilation of an editorial and articles carried in 9 April Seoul vernacular newspapers analyzing the outcome of the ROK-U.S.-Japan talks in New York on strategies for the nuclear talks between Pyongyang and Washington to be held in Berlin on 12 April.

The moderate KYONGHYANG SINMUN carries on page 3 an 800-word editorial entitled "Can We Really Believe in 'The Adoption of ROK- Model Reactors'?" Questioning whether the three countries honestly agreed on ROK-model reactors and the ROK's central role in this project, the editorial contends this doubt stems from "the lukewarm and dubious attitude assumed by the United States during its nuclear negotiations with North Korea." The editorial questions whether the agreement on ROK-type reactors, as announced by the ROK Government, is the government's "subjective interpretation," deploring the possibility that the government has "distorted the agreement in its favor."

Referring to some press reports that the U.S. Embassy is "lobbying" against ROK-style reactors, the editorial urges the United States to "maintain a firm principle" on the ROK model and to make it clear to North Korea that there is no alternative than ROK- type reactors to "shatter North Korea's illusion." Expressing concern about Japan's position not to link its role in the reactor project with its negotiations to normalize ties with North Korea, the daily says: "If Japan hopes to play a positive role in the reactor project and the resolution of the North Korean nuclear issue, it should abide by the clear-cut principle regarding this issue." The editorial concludes that "a firm joint step" among the three countries can only check North Korea's "brinkmanship diplomacy."

KYONGHYANG SINMUN carries on page 5 a 600-word article by Yi Pyong-kwang entitled "The Significance of the New York Talks." The article analyzes that the confirmation of the use of ROK-type reactors sends out a warning signal to North Korea that "if it continues to reject ROK-type reactors, the chances are high that the North Korean-U.S. agreement will not be implemented." The article then reports that the three countries focused their discussions on ways to cope with and take punitive steps against North Korea in the event the upcoming Berlin negotiations rupture. Reporting that the ROK Government expressed its firm stance to the United States and Japan, the article analyzes this move as a tactic to increase U.S. negotiating ability in its talks with North Korea.

The left-leaning HANGYORE SINMUN carries on page 3 a 700-word article by Kim Song-ho analyzing what was discussed at the tripartite talks. The article analyzes that "the decision to adhere to the principle of using the ROK model has demonstrated the cooperative system among the three countries regarding the reactor issue on the threshold of the Berlin talks, thus enhancing U.S. negotiating ability." Reporting that the meeting reviewed the North's new overture at the previous Berlin talks, the article speculated that "the chances are high that the three countries may have mapped out a motion to make slight concessions to North Korea."

DLP Member Cites U.S. Ambassador on Reactors

SK1004112895 Seoul YONHAP in English 1112 GMT 10 Apr 95

[FBIS Transcribed Text] Seoul, April 10 (YONHAP)—U.S. Ambassador James Laney said here Monday that the light-water reactors to be provided to North Korea under the U.S.-North Korea agreement should always be the South Korean standard model.

Laney stressed that there cannot be any change in this U.S. Government attitude.

The American envoy made the remarks during a luncheon he hosted at his residence for visiting U.S. Sen. Charles Robb and Rep. Pak Chong-su of the ruling Democratic Liberal Party [DLP].

Pak said Ambassador Laney denied some local press reports that the U.S. Embassy has been lobbying toward some ruling and opposition lawmakers against the use of the name, "South Korean model," of light-water reactors.

"There is no reason nor any need for us to do that," Pak quoted the ambassador as saying.

Article Views DPRK 'Fears' Concerning South

SK0804084395 Seoul SISA JOURNAL in Korean 13 Apr 95 pp 32-34

[Article by Pyon Chang-sop: "North Korea Fears the ROK's Money—It Is Absolutely Not Acceptable for the ROK To Take the Initiative in Building Light-Water Reactors"]

[FBIS Translated Text] A U.S. diplomat in Seoul who has been busy with the North Korean nuclear problem since he came to Seoul in 1992 made the following remarks in early November last year: "The strongest impression I had from the North Korean delegates after talking with them for many hours while attending the U.S.-DPRK nuclear negotiations in Geneva in October 1994 was that North Korea is truly afraid of the ROK. I could sense the feeling of uneasiness from their expressions and way of talking in connection with the possibility of the ROK's offering light-water reactors."

Concerning the recent U.S.-DPRK nuclear negotiations in Berlin, this official, reputed within the U.S. State Department for his ability to precisely interpret the North Korean nuclear situation, clearly stated that "the negotiations ended without tangible results because North Korea is exceedingly afraid of the ROK." According to him, North Korea began to realize that as far as the issue of light- water reactors is concerned, ROK-U.S. relations have changed from their previous relationship, in which the United States held superiority over the ROK, into practical relations in which the United States has a regard for the ROK's feelings since the ROK will offer enormous amounts of money in support of the light-water reactors. As a result, North Korea's sense of uneasiness is increasing.

Although we can hardly trust all the remarks of this diplomat, we have come to realize that his diagnosis is persuasive to a certain extent when we carefully examine the attitude shown by the North Korean delegates during the recent U.S.-DPRK nuclear negotiations in Berlin.

Concerning the style of light-water reactors to be used, Kim Chong-u, the senior North Korean delegate, attempted to the end to avoid ROK-style reactors by putting forward Russian-style and German-style reactors in turn. However, after hearing from the United States and having finally confirmed that there is practically no alternative to the ROK-style, North Korea put forward new proposals, including consideration of the CE-80 model of the U.S. Combustion Engineering Company which the ROK referred to in building its atomic reactors in Yonggwang. In addition, North Korea also attached 10 additional conditions in an attempt to exclude the ROK.

Since U.S.-DPRK negotiations are still ongoing, the content of additional conditions have not been disclosed. However, what has been confirmed so far from various sources and channels are: the support of an additional $1 billion is needed to build supplementary facilities for the light-water reactors, including power transmission and distribution networks; the main contractor should be a consortium-type that includes the United States and Japan as well as the ROK; in the event ROK-style light-water reactors are adopted, the U.S. company should revise parts of the design of the Ulchin Nos. 3 and 4 reactors; and the United States should guarantee the construction of light-water reactors through legal steps.

These conditions are essentially aimed at rejecting the central role of the ROK. In the past, North Korea also put forward five to six conditions demanding support for building supplementary facilities. However, North Korea increased them to 10 this time.

North Korea is seriously worried about material and manpower exchanges from the light-water reactor project in the event the project is led by the ROK. It appears North Korea is more concerned with the possibility of the ROK's using the light-water reactor card for political purposes if the ROK plays the leading role. In other words, North Korea feels if the ROK plays the central role and exercises control over the entire light-water reactor project, North Korea will have no other means but to be dragged into the ROK's pace. For example, North Korea is worried about the possibility of the ROK Government's linking progress in the construction of light-water reactors with North Korea's human rights issue and the repatriation of the crewmen of the Tongjinho which was reportedly hijacked to North Korea.

A Western diplomat well versed in the North Korean nuclear situation said: "What North Korea is most afraid of is the rights the ROK will exercise in the overall project of constructing light- water reactors." In other words, although North Korea recognizes to a certain extent the exercise of the ROK's right since it is providing the money for building the light-water reactors, North Korea will not accept interference by the ROK in its domestic affairs along with the ROK's right to control the project.

The United States Is Likely Reviewing the DPRK Proposals

This official continued: "North Korea held numerous talks with the ROK, including premier talks, and invited ROK businessmen to international conferences to develop the Tumen River, because North Korea was able to keep those events under its control." However, North Korea would be in a very difficult position in the event the ROK exercises the right to control the light-water reactor construction project, which will take at least six or seven years to complete. It seems this is the reason North Korea is trying to reject the ROK's central role.

This is precisely the key point of the problem. In other words, North Korea claims it cannot accept the ROK's central role, while the ROK insists that only when the ROK plays this role will it offer the money. The ROK Government intends to render enormous amounts of money totaling $3 billion without presenting superfluous words because it believes it will be able to open North Korea in a natural manner in the course of building the light-water reactors, and will force North Korea to engage in exchanges with the South. For example, if construction of light-water reactors begins, the ROK must dispatch approximately 500 to 700 experts to North Korea during the first year; North Korea will send its trainees to South Korea to train to operate the reactors. All this will be possible only if the ROK plays the central role in the construction of the light-water reactors.

What then is the U.S. position? The United States supports the ROK's position, at least in public. However, a strange [myohan] atmospheric current was sensed following the Berlin talks that concluded 27 March. Even though the proposal made by North Korea cannot be accepted because it is essentially aimed at rejecting the ROK's central role, the United States has not made clear its intention to refuse.

The United States showed its position that as long as North Korea's pledges are not broken to maintain a nuclear freeze and adhere to the basic framework, under which North Korea remains in the Nuclear Nonproliferation Treaty, the United States is ready to review any proposal presented by North Korea. This is because the United States thinks its efforts to prevent nuclear proliferation will be shaken to the root in Asia if North Korea's pledge and the basic framework are broken. Besides, if this situation is left uncared for, nuclear proliferation will expand to other countries. Thus, the U.S. security strategy would suffer a failure following the Cold War.

For this reason, it was learned the United States was in agony over these North Korean proposals that can hardly be accepted. From these proposals, the United States learned North Korea's basic intent not to break the negotiations. A U.S. diplomat in Seoul said: "Since the proposals contain somewhat disorderly and technical contents, they cannot be accepted 100 percent at present." However, he added: "The fact North Korea presented counterproposals itself is a green light. The proposals contain some seeds needed for consolidating the foundation of negotiations." Thus, he suggested the United States is reviewing the North Korean proposals in a positive manner.

The DPRK May Demand the Conclusion of a Peace Agreement

Yun Tok-min, a professor at the Institute for Foreign Affairs and National Security, pointed out: "Even if North Korea accepts ROK-style reactors, there is a possibility North Korea will negotiate with the United States so as to reduce to the minimum the political burden that would follow material and manpower exchanges. For example, North Korea may install mock facilities within North Korea to train technicians to operate the reactors; in addition, Pyongyang may negotiate with the United States to send its trainees to third countries instead of the ROK, including the United States, to prepare them to operate the reactors. North Korea may also make additional demands if it accepts ROK-style reactors. For example, there is a great possibility North Korea will demand the U.S. liaison office, which will be established in Pyongyang in the near future, be given the right to deal with military issues in addition to its ordinary missions as a liaison office. By doing this, North Korea will likely attempt to discuss with the United States the issue of replacing the Armistice Agreement with a peace agreement."

Of course this is possibile when North Korea accepts the ROK-type light-water reactor. Most of the experts also diagnose that North Korea must meet the minimum demand of "accepting the ROK-type light-water reactor," so that the United States and the ROK can show a flexible position regarding the title of the light-water reactor and furthermore the "ROK's central role."

With 21 April—the deadline for North Korea to conclude the light-water reactor supply agreement—right around the corner, the ball is once again in the U.S. court. It was learned that Nuclear Ambassador Gallucci will adjust the U.S. position soon and harmonize opinions in a meeting with ROK and Japanese representatives. With Congress dominated by a Republican Party that wants to scrupulously reexamine the Geneva agreement, the Clinton Administration has lost some flexibility in dealing with North Korea's nuclear issue.

However, the U.S. Government's principle regarding North Korea's nuclear issue of "putting a freeze on North Korea's nuclear weapons and keeping it in the Nuclear Non-Proliferation Treaty," is receiving suprapartisan support from the Republican and Democratic Parties. Therefore, it seems that the Clinton Administration will prepare an alternative from the line of maintaining this principle.

It appears that there may be the possibility of the alternative proposed by Ambassador Gallucci contradicting the ROK's present position. For example, the ROK may have to hand over the role of being wholly responsible for the construction of the light-water reactor, that is the right to exercise control of the project as the main supply contractor, to a U.S. company. In this connection, Peter (Hayes), an expert on the North Korean nuclear issue, said: "It is desirable for the United States to mediate if the light-water reactor project is to be concluded successfully." Thus, he emphasized that U.S. participation is necessary, regardless of form.

However, since this alternative is basically upsetting the principle of the "ROK playing a central role," if the alternative becomes reality, it seems that the ROK-U.S. cooperative system may be damaged. The rupture in the cooperative system is what North Korea is aiming at. When this occurs, what will the ROK Government say? There is only one answer. It is: "We will pay for expenses in accordance with the role we are given." If this is the case, it will be inevitable for the Korean Energy Development Organization (KEDO), which was inaugurated under the assumption of the ROK's central role, to become only half an organization, and then the light-water reactor supply issue will go back to the starting point.

Since North Korea is well aware of this situation, many people think that North Korea will not, in the end, reject the ROK-type light-water reactor. It appears likely that North Korea will accept the ROK-type light-water reactor on the condition that it gains certain benefits and minimizes the application of the ROK Government's "light-water reactor lever."

Seoul 'Willing' for North To Visit Ulchin Site

SK0804031195 Seoul YONHAP in English 0304 GMT 8 Apr 95

[FBIS Transcribed Text] Ulchin, North Kyongsang Province, April 8 (YONHAP)—Na Ung-pae, deputy prime minister and national unification minister, said Saturday that the government is willing to allow North

Koreans to visit the Nos. 3 and 4 units of the Ulchin atomic power plant, which are South Korean standard-model light-water nuclear reactors.

In a speech commemorating the installation of the Ulchin No. 3 reactor, Na said that if North Koreans would come to inspect the reactor, they will realize the appropriateness of the Seoul government's plan to provide North Korea with the South Korean light-water nuclear reactors.

South Korea is ready to support the North with a view to promoting full-fledged reconciliation and cooperation between the two sides should North Korea sincerely implement the nuclear agreement reached in Geneva between the United States and North Korea, he said.

"I expect the same type as the No. 3 unit of the Ulchin plant to be transferred to North Korea to become a torch of hope enlightening the future of the Korean people," he said.

The nuclear reactor installed in the Ulchin No. 3 unit is equipped with all factors of safety and economy as well as excellent technology, he noted.

"North Korea must choose whether it will move forward with the common prosperity of Korea by accepting the South Korean standard model or it will continue to refuse South Korea's central role in assisting the reactor project," he said.

He then stated North Korea must realize that there is no alternative to the South Korean standard-model reactors that is to be offered for a smooth implementation of the Geneva agreement and a joint development program for the Korean people.

The Ulchin No. 3 reactor, manufactured by the Korea Heavy Industries Co., is to start full-scale operations in June 1998 after undergoing further testing and processing stages.

DPRK Envoy to Moscow Holds News Conference

SK0504054395 Seoul YONHAP in English 0527 GMT 5 Apr 95

[FBIS Transcribed Text] Moscow, April 4 (YONHAP)—North Korea wants to build at least one light-water reactor with Russian technology in view of its past atomic energy cooperation with the former Soviet Union, a senior North Korean diplomat here was reported to have said Tuesday.

Son Song-pil, North Korean ambassador to Russia, according to an ITAR-TASS news agency report, said in a press conference, "We are well familiar with Russian-made light-water reactors."

He noted that in 1985 North Korea concluded with the former USSR an agreement on the construction of nuclear power plants.

At the recent U.S.-North Korea experts meeting in Berlin, ITAR-TASS said, North Korea was reported to have suggested that one of the two planned reactors be built with U.S. expertise and the other with Russian knowhow.

On inter-Korean issues, Son demanded that South Korea should fulfil a four-point North Korean demand if it wants to resume South-North Korean dialogue.

The demand includes an apology over the action the South took following the death of Kim Il-song; repeal of the national security law; removal of "concrete barriers" along the demilitarized zone; and repatriation to the North of those long-term prisoners who remain loyal to North Korea.

Opening of U.S.-North Telephone Line Delayed

SK0804051595 Seoul YONHAP in English 0509 GMT 8 Apr 95

[FBIS Transcribed Text] Washington, April 7 (YONHAP)—The official opening date for a direct telephone line between Washington and Pyongyang was put off from its originally scheduled day of Saturday until next Monday.

The direct distance dialing (DDD) scope of the international line is reportedly limited to the area of North Korea's capital city, officials at American Telephone and Telegraph (AT&T) said Friday.

The U.S. Federal Communications Commission (FCC) sent AT&T the message informing them of the postponement, AT&T officials in charge of customer services disclosed. If the FCC's final approval of procedures for the direct international line is not completed by Monday, a possibility that the opening date will be further delayed cannot be ruled out, the officials said.

The officials added that direct calling from the United States will be available only within Pyongyang, the communist country's capital, according to the message, and when it comes to other North Korean regions switchboards of AT&T and North Korea must be used.

The country code for North Korea is 850, and the area code for Pyongyang is 2, according to the official, who added that a DDD line charge between Pyongyang and Washington will be 3.7 to 4.5 times more expensive than between Seoul and Washington.

Official Views Timing of DPRK-Japan Contacts

SK0804075195 Seoul YONHAP in English 0745 GMT 8 Apr 95

[FBIS Transcribed Text] Seoul, April 8 (YONHAP)—The South Korean Government does not expect any full-fledged contact between North Korea and Japan for normalization of their diplomatic relations before April 21, a 'target date' for contract between North Korea and the Korean Peninsula Energy Development Organization (KEDO), a senior official at the government said Saturday [8 April].

He said, "After the delegation of Japan's ruling tripartite coalition recently visited North Korea, it has become more likely that the governmental talks between Pyongyang and Tokyo may be resumed. But I do not expect that any full-fledged contact between the two nations will be held before April 21."

"We've expressed our position on the negotiation for normalization of their relations several times, so the Japanese Government understands our position very well. I think that the Japanese Government will deal with the issue very well," he added.

Kong, U.S. Congressmen Discuss Security Issues

Meets With Senator Robb

SK1004014395 Seoul YONHAP in English 0136 GMT 10 Apr 95

[FBIS Transcribed Text] Seoul, April 10 (YONHAP)—Foreign Minister Kong No-myong met with Sen. Charles Robb of the United States' Senate Foreign Relations Committee Monday to discuss the security situation on the Korean peninsula and in Northeast Asia, Foreign Ministry officials said.

During the breakfast meeting with the American senator, held at the Chosen Hotel in downtown Seoul, Kong asked for help from the United States Congress to provide Korean standard nuclear power plants to North Korea under the nuclear agreement reached between Pyongyang and Washington last October, said the officials.

The Democratic senator from Virginia will give a press conference Monday afternoon at the United States Information Service (USIS)'s office in Namyong-dong, in central Seoul, on security issues concerning the two countries before leaving the country later in the day. He arrived in Seoul Sunday.

Senator Robb's Remarks Reported

SK1004095795 Seoul YONHAP in English 0945 GMT 10 Apr 95

[FBIS Transcribed Text] Seoul, April 10 (YONHAP)—A visiting U.S. senator, winding up a series of discussions here on the North Korean situation and details from the U.S.-North Korea experts' talks in Berlin, said Tuesday that his country and South Korea are "united" in their stand that the principal contractor of the light-water reactors to be supplied to North Korea must be South Korea.

Sen. Chuck Robb (D-Va.) met with President Kim Yong-sam, Foreign Minister Kong No-myong, Deputy Foreign Minister Na Ung-pae and DLP (Democratic Liberal Party] lawmaker Pak Chung-su, focusing on the expert-level talks in Berlin that will resume on Wednesday.

During a press conference at the U.S. Information Service in downtown Seoul, Robb said that Washington and Seoul would fully comply with the provision of light-water reactors to the North as stated in the Geneva framework agreement.

"There are no differences (between Seoul and Washington) on this issue...The Republic of Korea and the U.S. have identical positions," the senator assured.

However, the senator claimed that if South Korea chooses to have subcontractors, such as Russia or American businesses, it would be their "prerogative" and the United States would support that measure.

Robb emphasized his position as imperative to improve the South-North dialogue, criticizing how the issue has been brushed aside, and expressed his belief that Congress would steadfastly back the South.

"There is a very widespread consensus that we cannot permit any additional lack of performance by the North Koreans...to the extent that it diminishes the role of South Korea...I have expressed concerns that the North has effectively bypassed South Korea. My belief is that my fellow parliamentarians will stand squarely behind South Korea," Senator Robb said.

In regard to the threat that North Korea has made to unfreeze its nuclear facilities, Robb said, "Officially, we take the position that North Korea is still in compliance (with the agreement) and has not restarted the reactor."

However, Robb's trip to Pyongyang, which was immediately to follow his visit to Seoul, was denied by the North three days ago. The North justified their actions, claiming that other activities, such as the birthday of Kim Il-song and the Pyongyang sports and culture festival, precluded serious attention to the senator's visit.

"An opportunity on the part of the North Korean regime was missed to create a greater awareness and understanding," Robb opined.

Meanwhile, in his capacity as a member of the Armed Forces Committee, Sen. Robb also met Monday with Gen. Gary Luck, commander of the U.S. Forces Korea, and his staff to discuss military affairs.

Despite pressure in the United States to reduce contingencies, Robb stated that there is no sentiment towards a reduction of troops in the country.

Senator Robb's stop in Seoul was the first leg on his fact-finding mission as a member of the U.S. Senate Foreign Relations Committee. He departed late Monday afternoon from Osan for Taipei. He will also visit Manila, Myanmar [Burma], Jakarta, Dili and Port Moresby.

Meets With U.S. Congressman Roth

SK1004083695 Seoul YONHAP in English 0812 GMT 10 Apr 95

[FBIS Transcribed Text] Seoul, April 10 (YONHAP)—Foreign Minister Kong No-myong met Monday with

U.S. Congressman Toby Roth to discuss bilateral security and trade issues between their countries, according to officials of the Ministry of Foreign Affairs.

During the half-hour meeting with the chairman of the International Trade Subcommittee of the House Foreign Affairs Committee, Kong asked for the U.S. Congress' support on the implementation of the nuclear framework agreement between Pyongyang and Washington, the officials said.

The Republican congressman meanwhile expressed interest in South Korea's bid to join the Organization for Economic Cooperation and Development (OECD), said the officials.

Roth flew into the country Sunday at the invitation of Rep. O Se- ung of the ruling Democratic Liberal Party (DLP) who chairs the National Assembly's Foreign Affairs and National Unification Committee.

He will meet with Deputy Prime Minister and National Unification Minister Na Ung-pae and International Trade and Industry Minister Pak Chae-yun before leaving the country Thursday.

Daily Reviews Recent 'Conflicts' With U.S.

SK0904045995 Seoul SEOUL SINMUN in Korean 9 Apr 95 p 4

[Article by Yi To-un: "Is ROK-U.S. Relationship in an Uncomfortable Situation?"]

[FBIS Translated Text] Many people are wondering about what is currently going on in the relationship between the ROK and the United States.

The two countries have shown a difference of views and controversy has erupted over U.S. pressure on the ROK regarding the following: the latest process of the U.S.-North Korean negotiations on the light-water reactors; the opening of ROK agricultural markets; the inspection and customs clearance of U.S. oranges; U.S. Ambassador Laney's remarks in Kwangju; and the U.S. side's request for rezoning of the site for the U.S. Embassy. These matters are creating concern that "a change" has been created in the traditional, friendly relations between the two countries.

Pertinent officials at the government, particularly the Ministry of Foreign Affairs, who are dealing with the ROK's policy toward the United States, reject the idea of raising such a question. As if in unison, they are saying: "The ROK-U.S. firm relationship of alliance is unchanged, as it will in the future, too." This notwithstanding, experts point out that if the frequently expressed differences and frictions between the two countries accumulate, it will aggravate the whole relationship of the two countries.

An example that illustrates the difference of opinions between the two countries' authorities is the process of persuading North Korea to accept ROK-style light-water reactors. The main point of this issue is the so-called "epoch-making counterproposal" put forth by the North Korean side at the expert-level talks on the light- water reactors held in Berlin at the end of last month. It has been learned that the counterproposal, roughly speaking, attempts to hand over a considerable portion of the central role in the supply of light-water reactors—which the ROK should play—to the United States.

It appears that the U.S. side judged it would be beneficial to check North Korea's nuclear development and to extend the Nuclear Nonproliferation Treaty system. In addition, the U.S. side is also considering gaining additional economic profits by supplying U.S.- made light-water reactors to North Korea under "pressure" from some atomic reactor manufacturers in the United States. It also appears that the United States seeks the possibility of accepting the North Korean side's proposal on the one hand, while having the ROK make concessions on the other.

The United States has even reportedly persuaded, through its embassy in the ROK, some ROK ruling and opposition party National Assemblymen not to adhere to the designation of "ROK-style" reactors. It is judged that such a move by the United States has, on the contrary, irritated the ROK side, thereby leading President Kim Yong-sam and Foreign Minister Kong No-myong, the highest responsible officials in foreign affairs, to make hard-line remarks: "We cannot pay even a penny unless the reactors are ROK-style."

A high-ranking government official dealing with the light-water reactor negotiations with the United States expressed optimism by noting that it is not so difficult to bridge the difference of opinions between the two countries. He stated: "Although the two countries' strategies are not exactly same, they are roughly close to each other in substance."

The trade field is more embattled than the political field. Early this month the U.S. side filed a complaint with the World Trade Organization [WTO] against the ROK over the inspection method of Florida oranges. This is a graphic example representing the two countries' trade relations. One high-ranking trade official emphasized that there is no change in the basic cooperative relationship between the ROK and the United States, while citing the process of the appointment of Kim Chol-su to the post of WTO deputy secretary general.

Regardless of the explanations by government officials, media reports on the frequently expressed difference of opinions and conflicts between the two countries in the political and trade fields note the increasing number of citizens who have come to have anti-U.S. sentiments or to perceive that the two countries' relations are in an uncomfortable situation.

A midnight radio program recently conducted a poll of its listeners. The results of the poll showed that the listeners, mostly youth, ranked Japan first and the United States second in a list of the countries most disliked.

It appears that the U.S. side, too, is paying much attention to the situation in which anti-U.S. sentiments are growing. It has been learned that one official of the U.S. Embassy visited the Ministry of Foreign Affairs where he made a proposal to the effect: "There has been a tendency in ROK news reports to distort the U.S. role more than necessary. If necessary, the embassy will give an official briefing on pending issues between the ROK and the United States."

U.S. Ambassador Laney will briefly visit his home country. This deserves our attention because of the timing of his visit. It appears that he will have in-depth discussions with his home government over the diplomatic issues pending between the ROK and the United States.

Although no major problem exists at this moment in the two countries' relations, the two sides should pay attention to the fact that at least a notable chasm is being seen in the relationship between the two countries [chokodo singyongssoya halmanhan tumsaega mokkyoktoego itssumul yangchukun chumokhaeya halkossida]. The two sides should not incur a great loss while quarreling over a small profit.

Officials on Solutions to U.S. Trade Conflicts

SK1004065395 Seoul YONHAP in English 0633 GMT 10 Apr 95

[FBIS Transcribed Text] Seoul, April 10 (YONHAP)—Senior government officials discussed ways to settle the trade conflict with the United States, including the recent complaints made by the United States to the World Trade Organization (WTO) over South Korea's customs formalities, in a high-level meeting held at Chongwadae [presidential offices] Monday morning.

Attending the meeting presided over by Deputy Prime Minister and Finance and Economy Minister Hong Chae-hyong were Foreign Minister Kong No-myong, International Trade and Industry Minister Pak Chae- yun, Health and Welfare Minister So Sang-mok, Agriculture, Forestry and Fisheries Minister Choe In-ki, Senior Presidential Economic Secretary Han I-hon and Senior Presidential Foreign and Security Secretary Yu Chong-ha.

Details of the discussion were not given, but the following measures were reportedly discussed at the meeting.

On the United States' complaints about "delayed" customs inspections of grapefruits and other farm products imported from the United States, the government will make a thorough investigation into the complaints and they will also review the actual inspection process at customs offices in the country to determine if U.S. complaints are well-grounded.

In case the U.S. complaints are found well-grounded, the government will revise the inspection process to shorten the inspection time, as the United States is demanding.

But if U.S. demands are found to violate the international practice of customs inspections, the government will reject it and discuss the issue at the official Korea-United States trade talks.

As for the difference of trade statistics between the two countries, the government will explain to the United States the reasons.

While the United States Government compiles trade statistics on a cost, insurance and freight (CIF)-price basis, the South Korean Government compiles them on a free on board (FOB)-price basis.

Consequently, Washington's figure representing Korea-U.S. trade last year shows a surplus of 1,030 million dollars for Korea but Seoul's figures indicate a deficit of 1,630 million dollars.

Priority Customs Clearance of U.S. Goods Viewed

SK0904064395 Seoul KYONGHYANG SINMUN in Korean 9 Apr 95 p 3

[Editorial: "'Customs Clearance First' for U.S. Agricultural Products Should Not Be Allowed"]

[FBIS Translated Text] Why is it that whenever U.S. agricultural products enter this land, they create a stir? Last year, the United States picked a quarrel [sibi] with the ROK in connection with the expiration date of U.S.-made sausages. This time, the United States is flying into a rage [palkkun] because, due to our irrational inspection system, it suffered losses as a result of decayed Florida oranges.

Of course, it is natural for an exporting country to be annoyed or fly into a rage when customs clearance procedures for its perishable agricultural products are delayed for one reason or another. This is, however, totally the standpoint of an exporting country that prefers speedy customs clearance of its own goods; it is not the standpoint of an importing nation buying such goods. It is natural for a country to examine imported foods, which are directly linked with its citizens' health, in accordance with a strict domestic inspection system. What will be the result if foods pass through the customs clearance procedure without undergoing sufficient inspections just because an exporting country is in a pressing situation?

In this connection, the United States is no exception. The U.S. food inspection system supervised by the Food and Drug Administration has the reputation of being meticulous and strict. In particular, its inspection criteria for agricultural products imported from the ROK are so strict that it is even criticized for being almost arrogant. It is a well-known fact that before importing agricultural products, the United States examines and analyses the seeds of agricultural products and the production and distribution processes of such products. In addition, the United States has built up a high nontariff barrier against ROK agricultural products. It is hard to understand why the United States presents an extreme bargaining chip to the ROK by finding fault with the ROK's inspection customs clearance procedure, which in a recent case took 18 days.

Aside from the U.S. position, what is more problematic is the attitude of the Ministry of Public Health and Welfare, which should have coped with this situation in an efficient way. The ministry has put forth a "system of conducting customs clearance first, inspections later" with a view to pacifying the United States, which is being very aggressive [ukpakchirunun miguk]. "The system of conducting customs clearance first, inspections later" is a method for conducting customs clearance of perishable agricultural products on a priority basis and of making it the importers' responsibility to retrace the distribution routes to retrieve agricultural products if they are later found to have problems, including containing residues of agricultural chemicals.

How in the world can anyone retrieve agricultural products that are already in consumers' refrigerators or that have already been consumed? Who can assume the responsibility, and in what way, for the damage and harm caused by toxic materials? Moreover, our inspection system greatly lags behind the international standard in terms of safety norms and we lack experts and relevant equipment. It is urgently needed to compensate for pertinent weak points that now exist in such a system. In the era of trade market opening, the government's relevant countermeasures should be based on its primary task of protecting its own citizens. Under any circumstances, inspections of agricultural products should be determined not by pressure from an exporting country, but by the standards or criteria of the importing nation.

U.S. 'Slow' Response to Cigarette Accord Alleged

SK0904063495 Seoul YONHAP in English 0629 GMT 9 Apr 95

[FBIS Transcribed Text] Seoul, April 9 (YONHAP)—Contrary to the alacrity with which the United States sued South Korea for "slowing" customs clearance of oranges, Washington itself is going slow when it comes to the issue of correcting some clauses of the Korea-U.S. records of understanding (ROU) on cigarettes that are in the disfavor of South Korea.

A government official said Sunday that during the recent visit to Washington by Foreign Minister Kong No-myong, the United States agreed in principle to revise the ROU on cigarettes, promising to notify Seoul of its stand over the matter by the end of March.

However, Washington failed to keep the pledge on the excuse of the lack of consultations among relevant administration offices, he said.

An unofficial check showed that the U.S. failure to respond within the promised period was due actually to lobbying by American cigarette companies.

"Given the fast action the United States took on the orange issue to better protect their interests, the slow-going represents a case of their double-facedness," the official said.

The United States later told Seoul that they would give the delayed response by earl April, the official said, adding that nothing is heard from Washington as of Sunday when "early April" is almost over.

Washington appears to see no problem in revising the clause on cigarettes sales promotion, but to be less inclined to change taxes on foreign cigarettes into the ad valorem tariff system, he said.

Burma

Thai Foreign Minister on Official Visit

Arrives 7 Apr

BK0704154995 Rangoon Radio Myanmar in Burmese 1300 GMT 7 Apr 95

[FBIS Translated Text] Thai Foreign Minister Dr. Krasae Channawong and delegation arrived in Myanmar [Burma] by air this morning at the invitation of U Ohn Gyaw, minister of foreign affairs of the Union of Myanmar. The Thai minister and delegation were welcomed at Yangon [Rangoon] airport by Foreign Affairs Minister U Ohn Gyaw and responsible personnel, Thai Ambassador Mr. Poksak Nin-ubon, and officials from the Thai Embassy.

Received by Khin Nyunt

BK0704154895 Rangoon Radio Myanmar in Burmese 1300 GMT 7 Apr 95

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], received visiting Thai Foreign Minister Dr. Krasae Channawong and delegation at the Ministry of Defense's Dagon House at 1600 this evening.

Also present at the meeting were U Ohn Gyaw, minister of foreign affairs, and Thura U Aung Htet, director general of the Protocol Department. The visiting Thai foreign minister was accompanied by Thai Ambassador Mr. Poksak Nin-ubon. At the meeting, talks were held on existing bilateral goodwill relations and cooperation.

SLORC Secretary-1 Lt. Gen. Khin Nyunt explained the projects and the work being carried out for the development of border areas and national races.

Holds Talks With Ohn Gyaw

BK0704155595 Rangoon Radio Myanmar in Burmese 1300 GMT 7 Apr 95

[FBIS Translated Text] Foreign Affairs Minister U Ohn Gyaw received visiting Thai Foreign Minister Dr. Krasae Channawong at the Foreign Ministry's Annex Building at 1100 this morning.

At the meeting, responsible personnel attended from the Myanmar [Burmese] side, while the Thai foreign minister was accompanied by Thai Ambassador Mr. Poksak Nin-ubon and deputy permanent secretary Mr. (Wirat Itsarasena) and members of the Thai delegation.

Later, the Thai delegation led by Foreign Minister Dr. Krasae Channawong and the Myanmar delegation led by Foreign Affairs Minister U Ohn Gyaw held friendly and cordial talks on bilateral relations.

Activities, Meetings Detailed

BK0904102795 Bangkok THE SUNDAY POST in English 9 Apr 95 p 1

[FBIS Transcribed Text] Rangoon—Burma's suppression of rebel ethnic groups is intended to enhance the stability of both the country and region, Burmese Foreign Minister Ohn Gyaw said.

"Our country is not destabilising regional security. We are contributing to regional stability and development as well," said U Ohn Gyaw, adding that the fighting was Burma's internal affair.

The minister made the remarks to Thai reporters who accompanied Foreign Minister Krasae Chanawong on a two-day official visit to Burma which ended yesterday.

U Ohn Gyaw also commented that bilateral relations between Thailand and Burma were "very good" and that both countries were trying to find an area of cooperation.

Dr Krasae told reporters that Thailand was satisfied with Burma's national reconciliation policy, saying that if it succeeded it would resolve border problems with Thailand.

"The Thai Government supports the national reconciliation policy but does not support fighting between Burmese forces and the minorities," said Dr Krasae.

Speaking after one hour of talks with Lt-Gen Khin Nyunt, first secretary of the State Law and Order Restoration Council (SLORC), Dr Krasae expressed confidence that the country's problems could be resolved through the national reconciliation policy.

He quoted Lt-Gen Khin Nyunt as saying that the SLORC is sincere about developing the country and will use a similar strategy that Thailand once employed to suppress communist insurgents.

"Democracy and human rights are good and Burma wants both. But each country has its own situation and Burma needs to improve in these two areas," Lt-Gen Khin Nyunt was quoted as saying.

He also briefed the Thai delegation on "progress" in resolving its minority problem with 14 out of the 16 groups having joined the government.

Large groups such as the Karen and Mon are talking with the government and are also expected to join it.

Dr Krasae said the Burmese did not mention the possibility of Thailand helping to mediate between the government and the minorities, a proposal put forward by certain non-governmental organisations.

According to U Ohn Gyaw, Burma has a clear policy not to do anything which might affect Thailand, especially along the common border.

"Thailand and Burma can resolve border issues; they are small issues. Let's not allow them to affect our good relationship," said the Burmese foreign minister.

Meanwhile, Thailand confirmed that the Association of Southeast Asian Nations will invite Burma to the annual meeting of its foreign ministers in Brunei in July. However, a meeting between senior ASEAN officials and

China in Beijing last week agreed ASEAN would reconsider an invitation for Burma to join ASEAN due to fighting with the minorities over the past three months.

U Ohn Gyaw, who was at last year's annual meeting in Bangkok, said he received some indication that Burma would be invited again this year as a guest of the host.

"We have changed our political and economic system since 1988. We can identify our goals and forms of cooperation with ASEAN countries," said the Burmese foreign minister.

During the two-day visit, both sides agreed to further strengthen cooperation on education by setting up a Thai Study Centre at Dagon University.

Thai Delegation Departs 8 Apr

BK0804143295 Rangoon Radio Myanmar in Burmese 1300 GMT 8 Apr 95

[FBIS Translated Text] Thai Foreign Minister Dr. Krasae Channawong and his delegation accompanied by responsible personnel visited the Shwedagon Pagoda at 0800 today. The Thai delegation led by Foreign Minister Dr. Krasae Channawong left Yangon [Rangoon] by air in the afternoon and they were seen off at Yangon airport by Foreign Affairs Minister U Ohn Gyaw, the Thai Ambassador, and responsible personnel.

Khin Nyunt Meets Japanese Deputy Minister

BK0704161895 Rangoon Radio Myanmar in Burmese 1300 GMT 7 Apr 95

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], received Japanese Deputy Foreign Minister Mr. Hiroshi Fukuda and party at the Ministry of Defense's Dagon House at 0900 this morning.

At the meeting the Japanese deputy foreign minister, Mr. Hiroshi Fukuda, said he greatly welcomed Myanmar's [Burma] efforts on political, economics, and social activities.

SLORC Secretary-1 Lt. Gen. Khin Nyunt explained that Myanmar is a union made up of national races and the government is trying to put the country on the right path to democracy based on the three national objectives [the non-disintegration of the union, the non-disintegration of national solidarity, and perpetuation of national sovereignty]. The government is striving for national unity and for the development of border areas. The National Convention is being held to formulate a new constitution to put the country on the democratic path. For the armed groups from the jungles to participate in the formulation of a new and firm constitution and to achieve national reconciliation, 14 armed groups have now already returned to the legal fold. In bringing about multiparty democracy system, although the objectives may be the same as Western countries, means of implementation may differ. The implementation process should be suitable for our country and should be implemented with our own means. The main objective is to narrow the gap between the rich and the poor and to work for national unity. He thanked the Japanese Government for granting the Myanmar Government 1 billion yen assistance for food production development with the agreement signed on 22 March 1995 and said that it will really aid in narrowing the gap between the rich and poor and for the border development activities.

Rangoon Said To Reject Karen Chief for Talks

OW1004060095 Tokyo KYODO in English 0544 GMT 10 Apr 95

[FBIS Transcribed Text] Bangkok, April 10 KYODO—Myanmar's [Burma] ruling junta has responded positively to an offer by the country's Karen ethnic rebel organization to open a dialogue for peace but has said no to including the group's chief in the talks, a Karen source at the Thai border town of Mae Sod said Monday [10 April].

Yangon [Rangoon] said it would be willing to hold peace talks with two division commanders of the Karen National Union (KNU), the source said.

The message was conveyed to the KNU last week via a Catholic priest sent by Yangon to visit the KNU base and meet with one of the commanders on the country's eastern border, according to the source.

The KNU offered to hold cease-fire talks with the government without any preconditions in late March after losing its headquarters at Manerplaw and other major military bases earlier this year.

A previous attempt to hold bilateral talks late last year failed to get off the ground. The KNU had laid down several preconditions, including a demand that the meeting take place outside Myanmar in the presence of a neutral third party and that democracy leader Aun San Suu Kyi be released in advance.

Fourteen of Myanmar's 16 ethnic rebel groups have so far returned to the legal fold in response to the government's call for national reconciliation.

Only the KNU and the Mon New State Party rebels now remain in the jungles.

Rebels Insist Leaders Attend Talks

BK1004130395 Hong Kong AFP in English 1228 GMT 10 Apr 95

[FBIS Transcribed Text] Bangkok, April 10 (AFP)—Peace talks between Burma's ethnic Karen rebels and the Rangoon junta have stalled before starting, with both sides setting conditions as to who may negotiate a treaty, rebel sources said Monday.

Junta representatives have demanded to talk with the commanders of two military brigades in the Karen National Union (KNU), a senior KNU official said.

"They have already approached the Fourth and Sixth Brigades," he said, referring to the ethnic Liberation Army (KNLA) units, which control substantial territory in Burma, including a stretch of land over which the junta plans to build a multi-million-dollar gas pipeline.

"But from the KNU side, there cannot be anyone to reach an agreement at that level," he said.

Representatives of KNU have expected meetings to include their political leader, President Bo Mya.

"We think (the level) should be standard, and should have someone from our central committee," which technically makes policy for the KNU, a KNU member said.

But the junta representatives have made talks conditional on the participation only of the brigade commanders, ignoring the KNU's political leadership.

Early last month, KNU guerrillas from the Fourth Brigade struck at a section of the Yadana pipeline in Tavoy district, killing five workers and bringing construction to a standstill.

The pipeline, a joint venture involving Total of France, Unocal of the United States and the Petroleum Authority of Thailand, is scheduled for completion in 1998 and is to earn millions of dollars in revenues for Rangoon each year.

On Monday, KNU sources said that the tentative discussions with Rangoon had ended for the moment, but, added one, "I think we are prepared for talks if they are."

The Karen have been fighting successive military regimes in Rangoon for autonomy since 1948. They neared peace talks with the junta last year, but negotiations fell apart when neither side could agree on a venue.

Further Reportage on National Convention

6 Apr Proceedings

BK0804092895

[FBIS Editorial Report] Rangoon Radio Myanmar in Burmese at 1357 GMT on 6 April broadcasts a 25-minute program consisting of "excerpts" of findings by the National Convention Panel of Chairmen on proposal reports presented at the plenary session by representatives of the various delegate groups on prescribing detailed basic principles for designating self-administered divisions and self-administered zones in the constitution. The following presented reports:

Panel of Chairmen member U Tin Maung Kyaw reported the findings presented by some independent, political parties, and national races delegates and noted the majority of delegates has proposed that a detailed basic principle should be laid down for Konkyan and Laukkai Townships to be grouped together as Kokang self-administered zone.

Continuing, Panel of Chairmen member U Maung Gyi presented findings of elected representatives, political parties, and an independent delegate on the proposal that Ho-pang, Mong Mao, Pangwawn, Nampan, Man Hpang, and Tangyan Townships be formed together into two districts and prescribed as Wa self-administered division.

Next, Panel of Chairmen member U Ko explained the proposal report findings of the technocrats and intelligentsia, civil services, and special invitees delegate groups on prescribing a detailed basic principle for the participation of Lahu nationals in legislative and administrative matters of the Shan State.

Dr. Thaung Myint, member of the Panel of Chairmen, explained the proposal report findings of the national races and peasants delegate groups on prescribing a detailed basic principle for the participation of Intha nationals in legislative and administrative matters of the Shan State.

Panel of Chairmen member U Ant Maung next presented the findings of the technocrats and intelligentsia and special invitees delegate groups to prescribe a basic principle for the participation of Kayan Nationals in legislative and administrative matters of the Shan State and to merge Kayan zone into the Kayah State.

Continuing, U Bo Myint, member of the Panel of Chairmen, explained the special invitees delegate group's proposal on the participation of Akha Nationals in legislative and administrative matters of the Shan State and designation of Wa, Akha, Shan, and Lahu self-administered state.

Next, Panel of Chairmen member U Kyi Nyunt reported on the findings of the proposals by the peasants, workers, technocrats and intelligentsia, civil services, special invitees, and national races delegate groups on designation of Wa, Akha, Shan, and Lahu self-administered state and the rejection of a proposed Mro or Khami self-administered division.

Finally, Panel of Chairmen member U Hla Myint explained the disapproval of the proposal by the Shan Nationalities League for Democracy Party and other delegates to designate a Tai Nai state or Tai Nai self-administered division. He also explained the proposals concerning participation of national races in legislative and administrative matters of the states where they are minorities.

Convention Adjourns; To Resume 24 Oct

BK0804093095 Rangoon Radio Myanmar in Burmese 0630 GMT 7 Apr 95

[FBIS Translated Text] The plenary session of the National Convention was held at 0900 at the Central Conference Hall in the President's Residence compound on Ahlone Road in Yangon [Rangoon].

It was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission [NCCC]; Lt. Gen. Maung Thint and Brigadier General Myo Thant, vice chairmen of the commission and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee [NCCWC]; U Tha Tun, vice chairman, and committee members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee [NCCMC], and committee members; National Convention delegates; and local and foreign journalists.

Lt. Gen. Myo Nyunt, chairman of the NCCC, acted as chairman while Brig. Gen. Aung Thein, secretary of the NCCC, acted as secretary for the meeting.

The secretary first declared the plenary session open and valid since 636 out of the 683 delegates were in attendance. The clarifications of NCCWC Chairman U Aung Toe on describing detailed basic principles for the designation of self-administered divisions and self-administered zones which are to be included in the state constitution were presented by NCCWC Chairman U Aung Toe and NCCWC Secretary U Aye Maung. The meeting was briefly adjourned at 1010. When the plenary session resumed at 1025, NCCWC Chairman U Aung Toe continued to present the clarifications on detailed basic principles.

Next, Brig. Gen. Aung Thein, secretary of the NCCC and secretary for the meeting, presented explanations on administrative matters. He noted, just as the chairman clarified, the National Convention plenary session will be reconvened on 24 October 1995 and delegates from the districts are to contact the NCCMC Transportation Subcommittee for their air, rail, boat, and car travel arrangements for departure on 8 April. Moreover, in order to attend the National Convention plenary session on 24 October 1995, esteemed delegates are requested to arrive at Yangon not earlier than 19 October and not later than 21 October.

The plenary session concluded at 1200 noon.

Today's National Convention plenary session has laid down the following detailed basic principles for designating self-administered divisions and self-administered zones to be included in the state constitution.

1. Leshi, Lahe, and Namyung Townships in Sagaing Division are grouped together and prescribed as Naga self-administered zone.

2. Ywangan and Pangtara Townships in Shan State are grouped together and prescribed as Danu self-administered zone.

3. Hopong, Hsi-Hseng, and Pinlaung Townships in Shan State are grouped together and prescribed as Pa-O self-administered zone.

4. Namsang and Mong Ton Townships in Shan State are grouped together and prescribed as Palaung self-administered zone.

5. Konkyan and Laukkai Townships in Shan State are grouped together and prescribed as Kokang self-administered zone.

6. The six townships—Ho-pang, Mong Mao, Pangwawn, Nampan, Man Hpang, and Tangyan—in Shan State are grouped together into two districts and prescribed as Wa self-administered division.

Rangoon Reports Release of 5,337 Convicts

BK0804120395 Rangoon Radio Myanmar in Burmese 0630 GMT 8 Apr 95

[FBIS Translated Text] As a gesture hailing the Golden Jubilee Armed Forces Day, the Ministry of Home Affairs issued an order declaring that the sentences of the convicts, who have been contributing voluntary labor at regional development work camps in various states and divisions, have been reduced by one-third under Section 401-1 of the Penal Code.

In accordance with the order, another 671 convicts were released from regional development work camps yesterday. So far, 5,337 convicts have been released from their respective work camps.

Brunei, Malaysia & Singapore

Malaysia

TIME Magazine Alleges Country Trains Terrorists

Mahathir Rejects Allegations

BK0804125795 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 8 Apr 95

[FBIS Translated Text] Dr. Mahathir has again revealed the efforts of foreign media to discredit Malaysia. The prime minister has also challenged TIME magazine to prove its allegation that Malaysia is training terrorists in this country.

[Begin Mahathir speaking in English] TIME magazine has reported that Malaysia is supporting and training Arab terrorist groups in Malaysia. And this is a so-called responsible Western paper and I believe that this is part of a campaign, including about Malaysia being another Mexico—part of a campaign against Malaysia because we have been talking too loudly. And this is the kind of arm-twisting (?weapon) that we dislike very much. What is their evidence that we are training Arab terrorists here? It is very easy to say this because when they said this, they are trying to deter people from investing in Malaysia, from coming to Malaysia, generally to undermine Malaysia's economy and Malaysia's development. When I said that these people always misuse the press for certain purposes, this is evident that they misuse the press. They have classified us together with Iran and Libya. What they want to say about other countries is not our business, but when they say this about Malaysia, I would like to see TIME magazine come here and make a report here, and make an allegation here that we are training terrorists in this country. [end recording]

Home Ministry To Send Letter

BK0904134095 Kuala Lumpur Voice of Malaysia in English 0800 GMT 9 Apr 95

[FBIS Transcribed Text] The Home Ministry will send a letter to TIME magazine as soon as possible to deny its article that Malaysia was a training ground for terrorists in the region. Deputy Minister Datuk Megat Junid Megat Ayob expressed regret over the article saying it contained baseless allegation. He said the ministry had no plan just yet to ban the magazine in the country. He told reporters this in Perak.

A report in TIME April the 10th issue entitled: A Mad Dream of Global Terror, alleged that military training camps for terrorists were set up in Malaysia.

Commentary Urges TIME To Apologize

BK1004102295 Kuala Lumpur Voice of Malaysia in English 0810 GMT 10 Apr 95

[Station commentary]

[FBIS Transcribed Text] There is no justification whatsoever for allegations that Malaysia is training and providing aid to terrorist groups. TIME magazine, well known as among the foremost international news publications, had resorted to run a news story without [words indistinct]. It is nothing more than gutter journalism. So when the latest issue of the news magazine accused Malaysia of doing so, naturally Malaysia is not going to take it lightly. If the article is not corrected, it will have implications imposing on Malaysia's image abroad. After all, many people feel that what they write in the Western press is gospel truth. What they do not realize is that these publications are owned by groups with vested interests.

Prime Minister Datuk Sri Dr. Mahathir Mohamed is a patient man, but this does not mean he is going to tolerate lies, especially when Malaysia seems to have become a favorite target for the irresponsible (?Western) media. Malaysia's foreign policy is very clear. It does not condone terrorism. Neither does it support fundamentalism, political or racial violence, and injustice to any groups or countries.

Maybe it is this forthright stand, especially in voicing loudly wrongdoings of Western and industrialized countries, that has led to its being targeted for false accusations. It is thus difficult to take the untruth contained in the magazine in isolation. It comes hot on the heels of unfair news articles likening Mexico's financial crisis with that of Malaysia. As Bank Negara [Central Bank] has pointed out, our deficit is due to the imports of capital machinery which in time will translate into exports. Mexico's deficit is due to managing debts. Yet these false accusations continue unabated.

It is not difficult to conclude that all these smack of public campaigns to undermine Malaysia's credibility. There could be groups or countries which are envious or even jealous of Malaysia's political stability and economic success. So, they want to hit out. [Words indistinct] about developing countries, including Malaysia. Although it is just one news article, what has irked Malaysians is the prominence it has been given in the international press. The story has been taken up and highlighted in Western countries, which means the implications can be great.

This is not new to Malaysia. Just only several years ago, the Malaysian palm oil was pictured negatively as causing health problems by the American Soybean Association, ASA. Although the ASA admitted its wrongdoing, it was nothing more than a ploy to safeguard markets for soybean oil. Malaysia has also been accused of genocide. [Words indistinct] that the people who made the allegation were misinformed.

Malaysia is not against freedom of the press, but it is vital that the truth be published, not contorted [words indistinct] or outright lies. Perhaps TIME magazine should provide clear proof to justify its claim and maintain its credibility. Otherwise, an apology is in order.

Editorial Terms Allegations 'Lies'

BK1004044295 Kuala Lumpur UTUSAN MALAYSIA in Malay 10 Apr 95 p 8

[Editorial: "Terrorism Is Not Our Style"]

[FBIS Translated Text] Yet another effort has been made to tarnish our image in the world community. This time we have been accused of training Arab terrorists. Viewed from a certain aspect, most of us are not very surprised by this accusation hurled by TIME magazine's international edition.

This is the price we must pay for successfully emerging as one of the foremost actors in the international arena. Our successes have been met with continuous envy. There are parties that want to criticize us.

This is the reason that numerous unfounded overstatements have been hurled at us. Such lies are deliberately circulated by certain developed countries. These countries feel uneasy about the effort to transform Malaysia into an alternative Third World model of a developing country that has challenged the progressive Western countries.

The objective is clear: The West fears the terms terrorism, terrorist, and terrorist element. They have been successful in creating a general negative impact by linking countries to terrorism. This was done with Libya, Palestine, and some other countries.

This has created a hostile image of these countries. Investors will definitely not be attracted to these countries. Finally, the countries face disciplinary action in the diplomatic, economic, political, and other sectors. Such actions threaten their political and economic stability. This is a new form of colonialism introduced by Western human rights advocates.

It is clear that TIME's allegation is a blatant lie aimed at tarnishing Malaysia's image as a prominent investment venue in this region. The principal objective behind such a blatant lie is to sabotage the rapid development the country is currently enjoying. The magazine's objective is to influence the progressive countries so that they hate and resist Malaysia.

Realizing the truth, it was only right for Prime Minister Datuk Sri Dr. Mahathir Mohamed to become annoyed. Although the allegation is unfounded, it could become believable and place us in an awkward situation if such an overstatement was left unanswered. We will make enemies and conflict will ensue.

It was more disheartening to note that the allegation omitted the fact that our people do not believe in terrorism to achieve their desired aspirations. Wise modern historians in our country will note that our country was previously colonized, but we never turned to terrorism or took up weapons to free ourselves from the shackles of colonialism.

We have taken similar stands in trying to settle international conflicts. We have never believed in the use of violence as an effective means to solve any dispute.

What we want is for international relations to be established on the basis of peace and security. We have made such a proposal and this is what we currently practice in our domestic politics, as can be seen through the earlier establishment of the Alliance, which later became the Barisan Nasional [National Front].

It is clear, then, that if we do not believe in terrorism as a means to accomplish an aspiration, we will absolutely never allow our country to be saturated with terrorist training camps.

Minister: DPRK Offers To Initiate Military Ties

BK0704113795 Kuala Lumpur Voice of Malaysia in English 0800 GMT 7 Apr 95

[FBIS Transcribed Text] North Korea, in an effort to expand its relations with Southeast Asia, has offered to initiate military ties with Malaysia.

Defense Minister Datuk Sri Najib Tun Razak said the North Koreans had offered to start an exchange of visits by military officers to further enhance cooperation and understanding between the two East Asian nations. He said this after North Korean Armed Forces Chief of General Staff Vice Marshal Ch'oe Kwang called on him at the Defense Ministry in Kuala Lumpur.

Cambodia

Hun Sen Says Old KR Tactics No Longer Useful

BK0904123095 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 9 Apr 95

[FBIS Translated Excerpt] Second Prime Minister Samdech Hun Sen has said that the Khmer Rouge's strategy of employing deceitful maneuvers to marshal patriotic forces to seize power in 1975 can no longer be used in 1995.

Samdech Hun Sen stated this in response to foreign reporters who asked for his view of the Khmer Rouge in 1975 and the present Khmer Rouge, which still nurtures the ambition of retaking power.

The second prime minister further said: The Khmer Rouge's 1975 tactic was to use patriotic forces to seize power for itself. However, after having taken power in its hands, the group committed barbarous activities against patriots and the Cambodian people. As such, its collapse is a natural phenomenon, a reality.

After 20 years, everything has changed and the people are already well aware of what the Khmer Rouge group really is. Therefore, the Cambodian people are not surprised and losing vigilance, nor will they allow the Khmer Rouge regime to return. Besides, the tactics employed by the Khmer Rouge in 1975 can no longer be used to seduce the Cambodian people's patriotic forces in 1995 although there are some Khmer Rouge allies in the interior.

Samdech Hun Sen gave the same remarks when he inaugurated the main chapel of the Prek Luong Monastery in Khsach Kandal District of Kandal Province on 7 April. [passage omitted dealing with importance of Buddhism]

KR Claims Phnom Penh Killed Thai Policemen

BK0904151695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 9 Apr 95

[FBIS Translated Text] On 5 April, a group of two-headed government troops robbed the Thai people and abducted two Thai policemen to Sisophon to extort money from them. Later, they shot them dead.

Such barbaric events occur continually along the Cambodian-Thai border. The two-headed elements have robbed and killed Thai traders, whom they have allowed into Cambodia to do business. They have even robbed, killed, abducted, and extorted money from the Thai people, customs officers, and policemen on Thai territory along the border.

The Thai public asks: If the two-headed elements know only the law of the jungle, who will dare to invest with them? Who will open passes to allow them to continue to rob and kill the Thai people? The flagrant crimes have shown the true nature of the two-headed government and annulled traitor Hun Sen's recent visit to Bangkok.

Since the communist Vietnamese puppet clique and two-headed government dare to rob and kill Thai customs officers and policemen in a such cold-blooded manner, how cruelly has the group of demons robbed, killed, and persecuted the Cambodian people? They have actually killed, terrorized, robbed, and tortured the people for over 16 years. This is why the entire Cambodian nation and people are extremely furious with the two-headed elements. The people have risen against them and fought them, inflicting serious reversals and pushing them toward death and total collapse. Only with the extinction of the two-headed elements and the termination of the evil regime can the Cambodian nation and people have peace and the Thai people along the Cambodian-Thai border live safely without the horror of being robbed and killed. Only by doing so can travels and trade across the border be made in a normal and safe manner.

Khmer Rouge Rebels Kill Two Chinese Workers

BK0804120095 Hong Kong AFP in English 1010 GMT 8 Apr 95

[FBIS Transcribed Text] PHNOM PENH, April 8 (AFP)—Khmer Rouge guerrillas killed two Chinese workers and injured one other when the rebels attacked a quarry in Cambodia's Kompong Speu province, a local paper reported Saturday.

A group of around 40 guerrillas attacked the quarry about 80 kilometers (50 miles) west of the capital with machine guns and rocket propelled grenades Wednesday, local paper Koh Santepheap reported.

The two Chinese killed in the attack were identified as Tang Kok Meng from Hong Kong and Sing Se Meng from mainland China. The third man, Ing Se Soeng was seriously injured when he was hit in the chest with a bullet from an AK-47 assault rifle and was brought to hospital in the capital.

The Chinese Pesspon company started work at the quarry two years ago and this was the second time it had come under attack from the guerrillas, the paper said.

Khmer Rouge Claims SRV Troops Sent to Northwest

BK0904141795 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 9 Apr 95

[FBIS Translated Text] On 3 April, the two-headed government sent 15 truck loads of Vietnamese troops from Phnom Penh along Route 5 to battlefields in northwest Cambodia.

This report has more clearly shown that the two-headed government has been utterly defeated on the military battlefield during this 17th dry season; that it has no more soldiers to wage war; and that the people, both in the rural and urban areas, are against it and will no longer allow them to force their children into the Army to fight and die in its place.

The report has caused the Cambodian nation and people to become more furious with communist Vietnam, the two-headed elements, and the warmongering alliance. It also has sharpened the entire national forces' determination to terminate the two-headed elements as quickly as possible.

Officials Cite Continuing Military Pay Problems

95P30072E

[FBIS Editorial Report] The 27 January Phnom Penh REAKSMEI KAMPUCHEA in Cambodian on pages 1 and 2 published an article discussing complaints of military enlisted personnel about not being paid on time. According to the paper, troops stationed in western Cambodia have written "many" letters to the Ministry of Economy and Finance saying that they have not been paid their November and December salaries. Finance Minister Keat Chhon told the Defense Ministry that salaries for all of 1994 have been disbursed to Defense and the disbursement of January 1995 salaries is proceeding.

According to the paper, Co-Minister of Defense General Tie Banh "had previously told reporters" that there have been "difficulties" in getting the funds to troop locations. Other unnamed sources, however, have said that the problem of delayed troop salaries—sometimes up to two or three months—is due to commanders holding on to the funds after they have been disbursed, so as to earn interest or for other uses. Keat Chhon reported that military pay is disbursed to the Defense Ministry on the 5th of every month.

Statistics on Khmer Rouge Membership in RCAF

95P30072C

[FBIS Editorial Report] The 20-21 February Phnom Penh REAKSMEI KAMPUCHEA in Cambodian on pages 1 and 2 published an article on Khmer Rouge membership in the Royal Cambodian Armed Forces [RCAF]. The article quoted Colonel Say Khon, director of the RCAF's Khmer Rouge reception center, as saying that to date, 3,246 Khmer Rouge soldiers have reported to the reception center, completed their courses, and have been assigned to RCAF units. Say Khon stated that there were 194 former Khmer Rouge troops in the latest group who were awarded ranks by RCAF Chief of Staff Lt. General Ke Kimyan. Two were promoted to colonel, nine to lieutenant colonel, three to major, and 49 to company-grade officer rank on 18 February.

According to Vice Chief of Staff General Li Senghong, from January 1994 to early February 1995, a total of 6,361 Khmer Rouge officers and troops have surrendered, bringing with them 4,783 weapons of all types. Some 18,201 Khmer Rouge dependents came with them, along with 2,012 active militia.

Provincial Official Questions Military Police Role

95P30072B

[FBIS Editorial Report] The 15 February Phnom Penh REAKSMEI KAMPUCHEA in Cambodian on pages 1 and 2 published the comments of Sok Sareth, the chief of the National Police for Banteay Meanchey Province, along with some unattributed remarks on the Royal Cambodian Armed Forces' [RCAF] military police. The paper claimed that initially, the military police seemed to follow the good example of the United Nations Transitional Authority in Cambodia military police and was disciplined and corruption-free. However, since 1994, the RCAF's reputation has become tarnished with "a 70-percent corruption rate and they have become a source of trouble for the people."

Sok Sareth cited French law—which he said is the basis for the RCAF military police organization—calling for military police cooperation with the civilian police, "as deemed necessary" by the latter when military matters are involved. Sok Sareth noted that the military police should not "meddle in administrative affairs." He acknowledged that Banteay Meanchey's security situation is poor and cited combat and RCAF misconduct. For those reasons, the military police presence there is "most appropriate and necessary." He asserted that there cannot be "any conflict with or loss of face for any military unit and that cooperation with the military police is necessary to solve problems."

Sok Sareth went on to say that government plans to station military police in every administrative jurisdiction "will cause hardship to the public because of jurisdictional conflicts" between the military and national police when the former insists that "they control the area." He added that the military police might go so far as to take over the functions of the national police such as issuing civilian identity cards. Finally, he appealed to the co-ministers of interior to resolve this issue "so as to avoid harming the people."

Special Zone Soldiers Face Supply Problems

95P30072A

[FBIS Editorial Report] The 18 February Phnom Penh REAKSMEI KAMPUCHEA in Cambodian on pages 1 and 3 discussed supply problems for Royal Cambodian Armed Forces [RCAF] personnel of the Special Military Region. The troops' mission is to provide security for Route 114, in Amleang Subdistrict, Thpong District, Kompong Speu Province, now under construction by RCAF engineers. A report in the 15 February REAKSMEI KAMPUCHEA noted that an existing road in the area has long been abandoned because the Khmer Rouge had mined it. The 18 February edition of the paper quoted region Chief of Staff Major General Mau Chhen as saying that with only one truck available, he cannot even supply the troops with water on a regular basis. According to the general, troops can be resupplied with water only every two or three days. Malaria and respiratory problems are common as the troops have no shelter and sleep on bare ground. Civilians in the area reportedly have no food at all following the drought-induced rice crop failure. The 15 February REAKSMEI KAMPUCHEA reported that the troops survive by logging, bartering the logs for rice and dried fish.

In civic action operations reported in the 18 February edition, RCAF Chief of Staff and Special Military Region Commander Major General Prum Din, together with the guerrilla brigade and the 1st Division, provided 15 million riel to build a five-room primary school in Amleang.

Labor Official on Immigration, Work Permits

95P30072D

[FBIS Editorial Report] The 20-21 February Phnom Penh REAKSMEI KAMPUCHEA in Cambodian on pages 1 and 11 carried the comments of Khim San, the director of the Office of Employment and Handicrafts of the Ministry of Social Welfare, Labor, and Veterans Affairs. According to Khim San, it is illegal for permanent resident foreigners in Cambodia to work without work permits and proper identification. Although foreign workers were ordered to apply for the proper documentation in February 1994, only three workers—all Lao—have applied to date.

The paper disclosed that "official sources" have claimed that his office is not successfully controlling permanent resident foreigners. Khim San replied that the reason for this is that the immigration law is not being followed because of "unclear" categorization of foreigners' status as Cambodian nationals, permanent residents, or immigrants. He noted that the minister of interior is charged with deporting improperly documented foreigners, adding that it is illegal to hire undocumented foreigners.

Khim San told reporters that the foreign investment law allows foreigners who have skills Cambodians do not possess to work legally. His office will reportedly establish lists of skills not available among the Cambodian workforce for which foreign workers may be hired, as well as lists of jobs that will be restricted to Cambodian workers. When that happens, he said, "the Ministry will not issue permits allowing foreigners to hold jobs which could be held by our citizens."

Indonesia

Army Chief Views GPK Activities, East Timor

BK0804133595 Jakarta ANTARA in Indonesian 1926 GMT 7 Apr 95

[FBIS Translated Text] Jakarta, 7 Apr—Army Chief of Staff General R. Hartono says ABRI [Indonesian Armed Forces] is working together with related government agencies to combat the activities of a clandestine group belonging to GPK [Security Disturbance Movement].

"This is being done because their identity is not clear. The group has between 150 and 170 members and about 50 of them are armed," he said after attending a meeting of ABRI civic mission program in Jakarta on Friday. He added that the clandestine group is dangerous because they are using the government's facilities for their underground activities. An example is the clandestine group in East Timor.

"We have received reports about their existence and we are working together with related government agencies to combat the group which may threaten stability," he said.

The four-star general said security personnel will continue to search members of the clandestine group within government agencies. He admitted the task is not easy because the group members mix freely with members of the public.

Replying to a reporter's question, the army chief of staff said the case of two ABRI personnel who had violated military procedure in Liquica, East Timor, is now fully under the jurisdiction of the martial court, which will decide whether they are guilty or not. The two ABRI personnel, one of whom is an officer, are under intensive interrogation by the Udayana military police, who will submit their case to the martial court.

Suharto Visit to Germany, Globalization Viewed

BK0904133895 Jakarta KOMPAS in Indonesian 6 Apr 95 p 4

[Editorial: "President Suharto's Presence in Hanover and Efforts To Seek Global Market for Indonesian Exports"]

[FBIS Translated Text] President Suharto opened the Indonesian pavilion at the Hanover Messe '95 [1995 Hanover Fair] on Monday, 3 April, in Germany. A total of 70 countries are participating in this year's fair. More than 68 Indonesian private and state-owned companies are promoting their products there. High-technological, industrial, and manufactured goods are also exhibited.

This year's fair sees the biggest Indonesian participation compared to the previous three annual fairs.

The Indonesia-German cooperation forum on the economy and technology was formed on Tuesday 4 April. President Suharto and German Chancellor Helmut Kohl witnessed the signing of the agreement on the economic cooperation forum by the Minister of Research and Technology Habibie and the German Minister for Economics Guenter Rexrodt in Bonn.

The aim is for the forum to manage concrete measures to increase bilateral investment and trade ties, and economic cooperation.

With the signing of the agreement, we can conclude that among others: first, the head of state is very concerned about the country's economic development. This is not something new to us. The economic progress we have enjoyed so far is proof that the New Order government pays serious attention and works hard to improve the national economy.

Second, we have become more conscious of the need to adopt a pro- active attitude to make breakthroughs in the competitive global market. The government is right in choosing Germany as a gateway for Indonesia's economic activities overseas.

Germany, one of the world economic powers, is a big market. Apart from Germany, there are several other big markets such as the European Community, which has several countries affiliated to it. Germany is strategically placed to help expand economic activities, and can be called a trade bridge for countries in Europe and those outside.

Germany is not only traditionally a source of technology for Indonesia, it is also an important source of capital. There are many opportunities for it to take part in Indonesia's economy. It is now up to the two sides to explore them.

We are aware that it is important to continue improving the national economy. We have identified ways to seek opportunities and overcome obstacles to achieve development goals outlined in the state policy.

In adopting the open market system, we are going to take the maximum advantage of every potential market to bring development to the people. We have implemented this system for a long time and several trade and investment promotion delegations are sent overseas every year. We have also bilateral and multilateral trade ties.

Currently, the problem we face is stiff competition in the international market, whether in technology, markets for goods and services, or capital. For example, the close economic system of several countries creates more competition in the global market. Almost all advanced countries face internal economic problems, with Europe continuously being hit by inflation and high unemployment. The United States is busy restructuring its economy and this has affected the market and the capital flow to developing countries like Indonesia negatively.

Against such realities, those who wish to win have no choice but to make maximum efforts to place itself close to the market. Perhaps, the prerequisite is to hold dialogues on marketing, identify the desired market, and to try to fulfill all the conditions to gain access.

Thus, all Indonesian industrialists, government officials and ambassadors overseas should have the same basic idea, and take the same steps to develop the country's economy.

It is within this context that we lend our support to President Suharto's presence at Hanover Messe '95. We hope that the event will gain momentum [preceding word in English] to further enhance our national spirit to win against the extraordinarily stiff competition of the global market.

Laos

KPL Notes Signing of Mekong Cooperation Pact

BK1004151795 Vientiane KPL in English 0906 GMT 10 Apr 95

[FBIS Transcribed Text] Vientiane, April 8 (KPL)—Laos, Vietnam, Cambodia, and Thailand on April 5 signed in Chiang Rai, northern Thailand, a new agreement on cooperation for the sustainable development of the Mekong basin to replace the old one signed in 1957.

The four countries will cooperate in hydropower generation, irrigation, fisheries, navigation and tourism. The agreement also covers discussions prior to the diverse use of water or to the construction of hydropower dams. The Mekong river benefits around 50 million people.

The new agreement attaches most importance to environment protection as in agreements related to river basins around the world.

The agreement also gives a chance to China and Myanmar [Burma] which are in the upper Mekong to become members of the new Mekong Committee.

The signatories to the agreement were Dr. Krasae Chanawong, Thai foreign minister; Ing Kiet, vice premier and president of the National Mekong Committee of the Kingdom of Cambodia; Nguyen Manh Cam, foreign minister of the Socialist Republic of Vietnam; and Somsavat Lengsavat, minister for foreign affairs of the Lao People's Democratic Republic.

Foreign Minister Somsavat Lengsavat returned from Thailand on April 6 following the signing of the agreement.

Memorandum Signed With Japan on Building Bridge

BK0704120695 Vientiane KPL in English 0904 GMT 7 Apr 95

[FBIS Transcribed Text] Vientiane, April 07 (KPL)—The Lao and Japanese governments have agreed upon surveying the feasibility of the construction of a bridge spanning the Mekong River in Pakse, the southern Province of Champassak.

The agreement was reached on April 6 in a signing ceremony of a memorandum on the feasibility study of the bridge held at the Ministry of Communication, Transport, Post and Construction.

The memo was signed by Mr. Phetsamon Vilavan, vice-chief of the Cabinet of the Ministry, Mr. Mat Sounmala, director of the Communication Department of the ministry, and Mr. Koso Hikushi, director of Design Department of Japan. The signing ceremony was witnessed by Mr. Phao Bounnaphon, minister of communication, transport, post and construction, Mr. Masao Wada, ambassador extraordinary and plenipotentiary of Japan to the Lao PDR [People's Democratic Republic], and senior officials of both sides.

A technical group of Japan will study detailed reports on the feasibility study in Japan and submit it to the Japanese Government for approval. The drafting of the reports is expected to be completed by July 1995.

Agreement With SRV on Power Line Construction

BK0704155995 Vientiane VIENTIANE TIMES in English 31 Mar-6 Apr 95 p 9

[FBIS Transcribed Text] Laos and Vietnam have agreed to build a 35-kv power transmission line from Songda Dam in Vietnam's Son La Province to Houa Phan Province following the signing of an agreement on March 20 at the Pahang border checkpoint

The project will be undertaken by the Electric Energy Corporation No. 1 of Vietnam at a cost of U.S. $4 million or about three billion kip.

The transmission line with a length of 100 km, at its initial stage, will supply electricity to the Districts of Siangkho, Viangsai, and Sam Neua. The work is scheduled to be complete within 18 months.

The signatories to the document were the Lao Minister of Industry and Handicraft, Mr. Soulivong Dalavong, and the Vietnamese Minister of Electric Energy. The sides began discusions on the power line transmission project in June last year.

Saisomphon Phomvihan New Finance Minister

BK0704140695 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 6 Apr 95

[FBIS Translated Text] Based on the decree No. 11 dated 3 March 1995 issued by the President of the Lao People's Democratic Republic [LPDR] on an appointment of the finance minister, and based on the resolution No. 03 dated 3 March 1995 issued by the National Assembly of the LPDR on an endorsement of the appointment of the finance minister, a ceremony was held at the Finance Ministry yesterday to mark the transfer of duties between Khamsai Souphanouvong, former finance minister, and Saisomphon Phomvihan, the new finance minister. The ceremony was held in the presence of representatives from the Organizing Committee of the Party Central Committee, representatives from the Prime Minister's Office, deputy ministers, and a number of high-ranking cadres from the Finance Ministry.

In the ceremony, Khamsai Souphanouvong signed a book handing over the rights and duties and a number of various documents concerned along with other property at the minister's office, to Saisomphon Phomvihan who also signed the book for accepting them. From the day of signing, the duties of leading and guiding the affairs in the Finance Ministry will be under the direct responsibility of Saisomphon Phomvihan.

Philippines

Protest Lodged With PRC on Fishing in Spratlys

BK0904102595 Hong Kong AFP in English 1013 GMT 9 Apr 95

[FBIS Transcribed Text] MANILA, April 9 (AFP)—The Philippines has filed a protest note to China, a copy of which was received here Sunday, condemning the use of explosives and cyanide by Chinese fishermen in Philippine-claimed territory in the Spratly Islands.

Department of Foreign Affairs officials on Friday summoned Chinese embassy Charge d'Affaires Peng Zengjiu and handed him the note, which stressed that the practice must be stopped immediately.

The Philippine Navy last month arrested 62 Chinese fishermen off a shoal claimed by Manila in the Spratlys and recovered several hundred sticks of dynamite, 20 litres of cyanide as well as live and dead sea turtles—an internationally protected endangered species.

In the note, Manila reminded Beijing that illegal fishing methods violate international conventions as well as laws on the protection of the environment because they destroy the fragile marine ecosystem.

"It is therefore imperative that such illegal fishing activities be terminated immediately," the note said.

"The Philippine Government strongly protests the apparent application by the 62 Chinese nationals of fishing techniques that are unfriendly to the environment," it added.

President Fidel Ramos has rejected earlier demands by Beijing for the prompt release of the fishermen, describing them as environmental outlaws who should be condemned by the international community.

The fishermen are being detained at a police jail in the southwestern province of Palawan after authorities filed charges of illegal entry, use of prohibited fishing methods and violating the law against the capture of sea turtles.

Manila has also denounced the building of permanent structures by the Chinese on Mischief Reef, 100 nautical miles from Palawan and within the country's exclusive economic zone. The structures are being guarded by at least one Chinese military ship.

Philippine troops demolished markers put up on at least seven spits around the reef and vowed to continue destroying others as they find them. But Manila has never attempted to drive the Chinese off of Mischief Reef.

The potentially oil-rich Spratlys—a chain of atolls and coral reefs in the South China Sea—is claimed in whole or in part by Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

All claimants but Brunei have troops in the area, which is considered a potential flashpoint for conflict.

Ramos' Preference for Diplomacy, Dialogue Noted

BK1004124795 Manila PHILIPPINE DAILY INQUIRER in English 6 Apr 95 pp 1, 13

[Report by Lynda T. Jumilla, Martin Marfil, and INQUIRER wire services]

[FBIS Transcribed Excerpt] The Philippines, which has the weakest military among claimants to the Spratlys, will pursue through diplomacy and dialogue a settlement of its territorial dispute with China in the South China Sea, President Ramos yesterday said.

His statement came a day after Beijing again rejected calls for multilateral talks with the Association of Southeast Asian Nations over the archipelago also claimed by Taiwan, Vietnam, Brunei, and Malaysia.

"For the Philippines, determined diplomacy and dialogue will continue," President Ramos yesterday told his regular weekly news conference in Malacanang.

"The Philippines continues to be committed to a just, peaceful, and lasting solution to the conflicting claims in the South China Sea," he said.

Mr. Ramos said structures set up by China on the Philippine-claimed Mischief Reef in the Spratlys would "not be touched" for the time being.

He said the agreement was reached in a regular bilateral meeting between top-level Philippine and Chinese foreign department officials in Beijing on March 19. Little progress was made during the talks.

"Mischief Reef was agreed not to be touched in the meantime, but those structures are obviously well within our (320-km [kilometer]) exclusive economic zone," Mr. Ramos said.

At least one Chinese naval vessel has been keeping guard over its four large modern structures on Mischief Reef, 160 km from Palawan. A Chinese flag flutters atop the structures. [passage omitted reviewing earlier incidents in Spratlys]

"While there is a better understanding of each other's position, there was also a recognition that these positions remain far apart," said Foreign Undersecretary Rodolfo Severino in a report which Mr. Ramos read.

Talks between China and the six-member ASEAN ended Monday night in Chinese city of Hangzhou, without any agreement on how to resolve the Spratlys dispute.

"The Philippines wanted multilateral talks involving China and some ASEAN countries, but China's position is pretty clear," a Chinese organizer told REUTERS by telephone from Hangzhou. "It is unnecessary for others to join."

China said only bilateral talks between claimants to the potentially oil-rich chain can resolve the disputes, and called for common economic development of the Spratlys in the meantime.

Foreign Undersecretary Severino, who headed the Philippine panel in both the RP [Republic of the Philippines]-China and ASEAN-China talks, said ASEAN asked for more transparency from Beijing.

"We also stated our view that we know the sovereignty question cannot be solved quickly but has to be addressed," he said. We will all go back and analyze our respective positions and see where we go from there."

During his news conference, Mr. Ramos said ASEAN member-states have reiterated their adherence to the 1992 Manila Declaration on the peaceful resolution of the conflict.

Besides the six ASEAN members, Washington has also assured Manila of its support in its diplomatic row with China.

Also yesterday, Manila won the support of visiting Czech President Vaclav Havel.

"It is indeed a fact that the Czech Republic supports the declaration calling for a peaceful solution of the problem through dialogue within the region," Havel, speaking in Czech, said during a joint press conference with Mr. Ramos.

Mr. Ramos welcomed Havel's expression of support. "I thank President Havel for the Czech Republic's adherence to the declaration of the European Union [EU] on the situation in the South China Sea which reaffirmed the EU's support for the principles of the 1992 Manila Declaration based on the peaceful resolution of conflicts," he said.

"In this light, we agreed that political and security problems in our two regions could best be resolved through dialogue, consultations, and confidence-building measures," he said.

In return, the Philippines vowed to support the Czech Republic's bid for a non-permanent seat in the UN Security Council, Havel said.

Meanwhile in Puerto Princesa, where 62 Chinese fishermen have been detained since they were apprehended on March 25, the Coast Guard announced Wednesday that it was filing additional charges against 19 of them for illegally taking coral from Philippine waters.

The 19 were aboard one of the four Chinese vessels seized by the Philippine Navy for entering Philippine waters.

The government has already filed charges against the 62 for illegal entry, illegal fishing, and capturing sea turtles, a protected endangered species.

Government Rules Out Force in Spratly Dispute

BK1004114695 Quezon City ABC-DWET Television in Tagalog 1000 GMT 10 Apr 95

[Italicized passages recorded in English]

[FBIS Translated Text] [Announcer T.J. Kintanar] The Spratlys issue is also one of the problems facing the government. Here is the latest report from Eileen Gimeno:

[Gimeno] Despite China's aggressive stance in claiming the Spratlys, the Philippine Government has no plan of using the Armed Forces to assert our country's claim on the islands.

During the joint hearing of the House Committees on Foreign Affairs and National Defense, the government officials spoke in unison against using military force to resolve the Spratlys dispute.

According to National Security Adviser Jose Almonte, the Philippines' moral advantage will be lost if it uses force to reply to China's actions.

[Almonte, in progress] ...*understood that war as an option of resolving disputes is no longer as remunerative or beneficial as it used to.*

[Gimeno] Foreign Affairs Secretary Roberto Romulo, meanwhile, said Manila should get international support on the Spratlys issue so that China will be encouraged to remove its facilities on Mischief Reef.

[Romulo] *The aggressive use of force is not an option. This is one area where there is some agreement between the Philippines and the People's Republic of China.*

[Gimeno] Manila is also planning to submit the Spratlys issue to the UN Security Council and to International Court of Justice. This is not yet final because China is a permanent member of the Security Council, and China will have to recognize the International Court of Justice before it handles the case.

The Armed Forces has avoided any action that would result in military maneuvers.

[De Villa] *The position taken by the Philippines in this regard is to avoid creating a military dimension.*

[Gimeno] In the meantime, House Speaker Jose De Venecia warned that the government should carefully consider whether it made the right move in reducing the military force.

[De Venecia] *Perhaps we should review that, whether that position is correct or maybe we should consider some augmentation in the light of these developments.*

[Gimeno] Manila's refusal to use military force in resolving the Spratlys issue hopefully will help gain foreign support, and this is where the Philippines' honor in defending its sovereignty rests.

Officials Suspended Over Dispute With Singapore

BK1004102895 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 10 Apr 95

[FBIS Translated Text] The speculation on President Ramos's dismissal of Labor Secretary Nieves Confessor and Foreign Affairs Secretary Roberto Romulo has been resolved. Ramos, however, did order the suspension of some Philippine Embassy officials in Singapore and some other Department of Foreign Affairs officials.

Those suspended effective today were Ambassador Alicia Ramos, Consul General Elizabeth Buensoceso, Consul Reynaldo Catapan, Labor Attache Jose Bustalinog, Labor Attache Abram Malog, Labor Assistant Aurora Navarro, Welfare Officer Annie Israel, and Welfare Officer Josephine Sanchez.

The president based his order on administrative charges filed against the officials for inefficiency and negligence of duty as mandated in the Administrative Code of 1987 and in the Code of Conduct and Ethical Standard for Public Officials.

Ramos also said he has accepted the resignation letter of Ambassador Roberto Benedicto, who is not a career diplomat. He added that he has asked the ombudsman's office to consider criminal charges against the officials, including Anastacio Maranig and David Curtin, former administrators of the Overseas Workers Welfare Administration.

Ramos Sees 'New Menace' From Foreign Terrorists

BK0904100895 Hong Kong AFP in English 0934 GMT 9 Apr 95

[FBIS Transcribed Excerpt] MANILA, April 9 (AFP)—President Fidel Ramos and other top officials on Sunday expressed alarm over a growing influx of suspected international terrorists and said it was a "new menace" that the Philippines must deal with.

Ramos accused the Abu Sayyaf, a fundamentalist group that pillaged the largely Christian town of Ipil last Tuesday, of having links with foreign extremists.

At least 50 people died in the orgy of killing, looting and burning in Ipil. Troops on Sunday were still pursuing the band, which has taken more than 30 civilian hostage.

"This new menace is international terrorism," Ramos said in a speech to World War II veterans to mark national heroes' day on the former battlefield of Bataan, west of Manila.

There was both a domestic aspect and a foreign character because of the apprehension that terrorists from abroad were operating here, he said. [passage omitted on arrest of 6 Middle Eastern nationals, Ramzi Yusuf link to World Trade Center bombing]

"They are here but we are not the center of international terrorism," Armed Forces Chief General Arturo Enrile told reporters Sunday. "They may be building up but we will prevent them from doing it."

He said that "there are some foreign terrorists coming in here attempting to recruit people for international terrorism but we are vigilant about it."

Press Undersecretary Honesto Isleta said the influx of suspected terrorists began last year, before the pontiff's visit.

"The fact that we have arrested the six and that Yusuf was here as well as the bombing of PAL, these are all indications that terrorist activities are emanating from Manila," he said.

Isleta said that Ramos has ordered Immigration authorities to be stricter in granting visas to foreigners. Universities have to screen applicants, following reports that foreigners often come as students.

Police, meanwhile, said they were hunting more than 20 suspected foreign terrorists who entered the Philippines in recent months.

Further on Ramos' Concern

BK1004015095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 9 Apr 95

[FBIS Translated Text] The president has expressed deep concern over the influx of terrorists into the country. In a message he read to veterans in celebration of Heroes Day in Bataan, the president said terrorism is a worsening problem in the country. Press Undersecretary Honesto Isleta admitted that the number of terrorists increased even before the pope's arrival last January.

Six Arabs Arrested 31 Mar Linked to Hamas

BK1004093795 Manila PHILIPPINE DAILY INQUIRER in English 5 Apr 95 pp 1, 11

[Report by Dave Veridiano]

[FBIS Transcribed Excerpt] The six suspected Arab terrorists arrested last Friday in Caloocan City were plotting to launch more attacks against US and Saudi Arabian nationals and property, the Philippine National Police [PNP] said yesterday.

Director General Recaredo Sarmiento II, PNP Chief, said the information was gathered from documents seized from the suspects.

Sarmiento said he had ordered increased security around American and Saudi offices in the country to guard against attacks by comrades of the suspects who remained at large.

In Malacanang, President Ramos ordered the PNP to launch an intensified manhunt against remnants of the group.

Intelligence reports indicated that 25 other Arab terrorists were hiding in northern Metro Manila and nearby provinces.

Interior Secretary Rafael Alunan III said "we will do everything within our power to ensure the safety of the public and to work very closely with all peace-loving nations around the globe to put an end to terrorism."

Asked why Muslim radicals would be in the Philippines, he said "we would like to think this is part of their plan to re-establish Islam in this part of the world, especially since the Philippines is the only Christian country in Asia."

"As far as the government and our Constitution are concerned, we guarantee religious freedom and we allow people to practice their religion freely. But we will not allow people to impose their religious preferences on us," he added.

Sarmiento said a captured officer of the Muslim extremist Abu Sayyaf group had provided the information that led to the arrest of the six Arabs.

"The success of these police operations could be attributed to the coopoeration extended by Jovenal Bruno, alias Abu Jihad, international liaison officer of the Al Harakat Al Islamiya (Abu Sayyaf), who was recently captured in Jolo, Sulu," a PNP press statement said.

"Bruno provided the vital intelligence information that led to the discovery of the group's safehouses," it added.

"The arrested suspects were linked to Sheik Omar 'Abd al-Rahman, the blind Egyptian cleric who is on trial for the 1993 bombing of the World Trade Center building in New York City.

[passage omitted on remarks by al-Rahman attorney denying any connection with the arrested suspects, appearance of suspects at news conference]

Alunan said the suspects were members of the Likah Asept al-Islamiya, or the Islamic Saturday Meeting Group, whose members are "fanatic followers" of Sheik Omar.

They are a breakaway group of the overseas support structure of the Muslim extremist Hamas [Islamic Resistance Movement] organization, Alunan said. Hamas, based in Gaza, opposes the peace accord between Israel and the Palestine Liberation Organization.

He said the suspects were engaged in recruitment, indoctrination on "holy war," martial arts training and forging ties with other terrorist groups.

Police said the group also aided Ramzi Yusuf, the alleged mastermind in the New York bombing as well as in plots to kill Pope John Paul II during his visit to Manila last January and to blow up American jetliners over the Pacific.

Yusuf eluded arrest in Manila, but was apprehended i early February in Pakistan and deported to the United States. He is awaiting trial in New York.

Police also raided a house in Balanga, Bataan last Sunday and seized documents, including names of Filipinos and foreigners recruited by the group.

Police intelligence reports indicate a tie-up between the Abu Sayyaf group and that of Yusuf's.

Some active members of Yusuf's group were monitored to have had several meetings with Abu Sayyaf officials and police agents even managed to get photos of the meetings held in Basilan.

Arrested with Alghoul were Mohamad Ismael Deib, 23, Syrian; Muhammad 'Abd-al-Hadi Isam, 29, Jordanian; Nabila al-Riyami Nasser, 25, Omanian; Aseraf Abdul al-Yazouri Rahman, 28, a United Arab Emirates national; and Wail Rached al-Kaatib, 26, Palestinian.

Alunan said the arrest "neutralized whatever vicious plans" the group had against domestic and international targets, including American and Saudi Arabians.

A U.S. embassy spokesman said he had no immediate comment. A Saudi Arabian embassy spokesman said his embassy has not yet been informed by the police that Saudis were potential targets.

The six arrested suspects were charged with illegal possession of firearms and explosives. Government prosecutor Afable Cajigal recommended no bail. They have been on a watchlist of suspected foreign terrorists since 1991, officials said.

Abu Sayyaf Link to Pakistani Group 'Confirmed'

BK1004085395 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 10 Apr 95

[FBIS Translated Text] Raphael Alunan III, the Department of Interior and Local Government secretary, has confirmed the Abu Sayyaf's connection to a terrorist group in Pakistan. Alunan made the confirmation during a joint public hearing conducted by the Senate Committees on Defense and Crime. In this regard, it was recommended that the Abu Sayyaf case be included in the peace talks between the government and the Moro National Liberation Front [MNLF].

Meanwhile, General Arturo Enrile, Armed Forces chief of staff, said the MNLF does not control all the Muslim groups in the country. Enrile added that the military will monitor those MNLF members who joined the Abu Sayyaf group in the attack on Ipil.

Further on Events Surrounding Ipil 'Massacre'

Gunmen Execute Five Hostages

BK0704154495 Hong Kong AFP in English 1418 GMT 7 Apr 95

[FBIS Transcribed Text] IPIL, Philippines, April 7 (AFP)—Muslim fundamentalist gunmen who raided a southern Philippine town this week killed five of their hostages Friday and engaged government troops in fierce fighting, leaving 12 rebels and three militiamen dead.

Military officials said five hostages were executed as government troops pushed forward to rescue from the nearby village of Hose more than 30 people believed to have been captured in the attack on Ipil earlier this week.

Five hostages who escaped from the rebels during the firefight in the village of Hose near here and military officials told AFP that six of the slain gunmen were hurriedly buried in a shallow grave.

Four more guerrillas were buried at another village. The bodies of two more gunmen were recovered by troops and displayed at the town hall of nearby R.T. Lim municipality, an AFP correspondent reported.

The gunbattles erupted as some 500 troops, including army special forces and elite anti-guerrilla Scout Rangers, pursued 200 gunmen who rampaged through Ipil town, 740 kilometers (462 miles) south of Manila, at lunchtime Tuesday.

The raiders, described by President Fidel Ramos as members of the feared Abu Sayyaf fundamentalist group, massacred 50 people, plundered homes and banks and torched the thriving commercial center to the ground in the worst attack on a population center in 21 years.

Several skirmishes occured on Friday but the bloodiest was in the village of Hose, where the troops and muslim gunmen could see each other across a road during the fight. Three militiamen were killed in the firefight.

An AFP correspondent who visited the scene reported that trees and thatched houses were splattered with blood and pockmarked by bullet holes. Six government helicopter gunships were involved in the gunbattle.

The correspondent said he also chanced upon three escaped hostages near a roadside store, gave them money and turned them over to an army camp. Two other hostages were being treated at a hospital with gunshot wounds. One of the escapees, businessman Fortunato Gordove, said he had counted about 35 hostages being held by the gunmen. He said the hostages were made to carry the gunmen's packs. He told AFP they captives had travelled for two days, barely eating and had also helped bury the slain gunmen. He said he had heard the gunmen plan to kill him because they found a permit to carry a gun in his possession but that he pleaded for his life.

Another former hostage, Nestor Flores, a farmer, said he was shot in the right leg by a gunman because he had difficulty walking.

In Ipil, life slowly began returning to normal Friday as residents tried to restart their businesses by making makeshift stalls near the rubble of what was once their commercial center.

"We need capital because they got our money," one woman said.

"Why did they have to kill. Why did they have to burn. If they wanted money they already got our money. I'm still very angry," said Lolita Avanzado, whose husband was killed in the attack.

Interior Secretary Rafael Alunan, who visited Ipil, quoted residents as saying that some foreigners were part of the group that attacked their town and said "we are trying to identify these foreign elements."

New southern command chief Major General Edgardo Batenga, who replaced Brigadier General Regino Lacson, said he was still studying whether to send more troops, but that "this will depend on intelligence estimates" of the size of the enemy force.

Ramos on Thursday relieved the southern military commander and a brigade chief for failing to anticipate the attack, which officials said could be related to the March 25 arrest of six Middle Eastern nationals. The six were alleged to be part of a 29-member group planning terrorist attacks in the Philippines and reportedly affiliated with the defendants in the 1993 bombing of the World Trade Center in New York.

Ramos is scheduled to visit Ipil on Saturday to assess the situation.

Gunmen Identified as Abu Sayyaf

BK0804090795 Hong Kong AFP in English 0832 GMT 8 Apr 95

[Report by Romeo Gacad]

[FBIS Transcribed Text] IPIL, Philippines, April 8 (AFP)—Five hostages, soaked in the blood of the slain Muslim fundamentalist captors they were ordered to bury, made a daring dash to freedom during a fierce gunbattle with government troops.

Some of the former captives, recounting their ordeal to AFP on Saturday, said they buried five slain gunmen while their captors cocked assault rifles at them at the height of a gunbattle Friday in the mountainous village of Hose near Ipil. The five fatalities were from a 200-member band that raided the largely Christian town of Ipil on Tuesday, killing 50 people, pillaging homes and banks and razing the commercial center.

Pursuing government troops caught up with a group of 91 assailants on Friday in Hose, sparking the gunbattle in which 12 Muslims and three militiamen were killed. Military officials said the 200 Ipil raiders had split into three groups.

Gold prospector Fortunato Gordobe, who was taken hostage along with 34 other Christians, said the desire to live and see his family goaded him to escape from the Abu Sayyaf fundamentalist group. He fled at the height of the firefight that saw combatants just meters away from each other. Five of the hostages had earlier been massacred.

"I wanted to be alive to see my wife and children," he told AFP at an army camp here. Just the night before, the 35-year-old heard in fright the gunmen talking of killing him. Another former hostage, farmer Carlito Engito, 28, said he was picked up after the gunmen surrounded his house in Siawang village on Thursday. He attempted to fight them off with a machete but the gunmen threatened to burn down his house. His wife and another relative managed to run away.

Engito said he was beaten with a rifle and told: "We are Abu Sayyaf. You are a hostage, you guide the way."

It was the first time that the raiders of Ipil town identified themselves as members of the feared group, blamed for a spate of anti-Christian bomb attacks and kidnappings in the south for the past three years. That they needed a guide showed they were not from the area. This gave credence to military intelligence reports that they came from sanctuaries in Basilan and Sulu islands farther to the south.

Both hostages said that during Friday's gunbattle with troops, backed by rocket-firing helicopter gunships, they were ordered to bury the dead and carry the wounded away from the battlefront under intense fire.

Gordobe said he and other hostages hurriedly buried five dead gunmen in a shallow grave near a river, leaving the some of the bodies' limbs sticking out.

Engito said the bandits ransacked his house, taking away 20 chickens, pots and clothes. "But I was not afraid. I said to myself, God will take care of me."

Gordobe was in the village of Santo Rosario to supervise a mining venture on Wednesday when he was taken.

"One of the gunmen poked a .45 caliber pistol to my head," he said.

When they found a permit to carry a gun on him, they said he "deserved to die".

"I told them: 'have pity, don't kill me. I have six children,'" said Gordobe, who was among three hostages found by AFP at a roadside store and brought to an army camp in a rented jeep.

He said he was ordered to kneel as the gunmen took his wallet and gold ring. He heard the gunmen speak in Tausug, a dialect predominant in the extreme south, where the Abu Sayyaf has a strong presence. He said he heard them talk several times about going back to the island of Basilan, their stronghold.

The gunmen prayed twice a day, at dawn and at dusk, after washing in the river while their Christian hostages watched, said Gordobe. He said he planned to hold a feast after reaching home in the city of Dipolog.

Command Chief Comments

BK0904121995 Hong Kong AFP in English 1137 GMT 9 Apr 95

[FBIS Transcribed Text] IPIL, Philippines, April 9 (AFP)—At least 30 people have been killed in running gunbattles over the past three days between government troops and some 80 Muslim gunmen who took part in a bloody rampage through this largely Christian town, officials said Sunday.

Ground troops, backed by two air force bombers and nine rocket-firing helicopter gunships, continued their pursuit of the band, which has retreated to the mountainous municipality of Siocon, about 50 kilometers (31.25 miles) west of Ipil.

Southern command military chief Major General Edgardo Batenga said the dead were 19 gunmen of the Islamic fundamentalist group Abu Sayyaf, six government troops and five civilian hostages believed shot dead by their fleeing captors.

Two Abu Sayyaf gunmen were captured and are being questioned by the military, Batenga said.

Although seven hostages were able to escape, the raiders still held 37 civilians, Batenga told reporters. He said 7,000 families in three towns have been forced to flee their homes.

"It is hard to wipe them off. It's just like guerrilla warfare," Batenga said in his headquarters in Zamboanga City, 100 kilometers (62.5 miles) south of Ipil. "Hopefully, we can make a turn around within two months."

Twelve Muslims and three government troops were killed in a fierce gunbattle on Friday in the village of Hose. The five hostages were also gunned down that day. Batenga did not say when the new fatalities occurred.

Batenga, who took over from the relieved Brigadier General Regino Lacson, said that between 160 to 175 heavily armed Abu Sayyaf gunmen, aboard buses and boats joined in the raid on Ipil on Tuesday, but half of them managed to escape via the sea.

At least 50 people were massacred and scores wounded in the Ipil attack, the worst of its kind in 21 years.

The other half of the attackers, numbering about 80, are being pursued.

Batenga said that troops want to make sure that the group is contained in Siocon to prevent it from escaping through the sea. Troops are also guarding against possible reinforcements.

President Fidel Ramos on Thursday relieved Lacson and a colonel who commanded a brigade based in Ipil for failure to prevent the attack.

Batenga on Sunday presented to reporters a passport taken from one of the dead Muslim gunmen, indicating that he had travelled several times to the Middle East.

The military has said that the Abu Sayyaf is composed of young Muslim radicals, some of whom received training in Afghanistan and the Middle East.

Meanwhile, police in the main regional center of Zamboanga City are on their highest state of combat readiness to forestall a similar attack.

Police set up checkpoints along the streets and beefed up security at the airport and vital utilities.

Five Abu Sayyaf Members Interrogated

BK1004012895 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 9 Apr 95

[FBIS Translated Text] Five Abu Sayyaf members who participated in the Ipil attack are now under tactical interrogation by the AFP [Armed Forces of the Philippines]. One piece of information military officials are trying to confirm is the connection between the Abu Sayyaf members and Muslim extremists based in other countries. The five were captured as they were being pursued by the military. The captives remain unidentified. The search and destroy operation by 2,000 members of the military against the 200 terrorists continues.

Southcom [South Command] chief Major General Edgardo Batenga said it is possible the Abu Sayyaf will attack again, especially against Christians pouring into churches for the Lenten season. Batenga admitted that the terrorists still have the ability to attack despite the military concentration in Zamboanga del Sur.

MNLF Denies Involvement

BK1004024995 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 9 Apr 95

[Passages in quotation marks recorded; italicized passages in English]

[FBIS Translated Text] Moro National Liberation Front [MNLF] members deny any involvement with the Abu Sayyaf in last week's Ipil massacre. Reverend Absalom Cerveza challenged the government to produce evidence that his group was involved in the attack that killed 60, wounded over 40, and almost completely destroyed the municipality of Ipil in Zamboanga del Sur:

[Cerveza, in progress] "*...that the Muslims were involved in that raid. Now, after this point in time, they have to come up with evidence* that there were really Muslims *involved in that raid, and they have to come up with evidence* that there were *MNLF involved in that raid. They will have to come up with evidence, not suspicions.*"

Cerveza believes that other groups—not the MNLF—joined the Abu Sayyaf during the attack:

[Cerveza, in progress] "*...into its own organization for possible involvement. The government should investigate deeper into its military establishment to discover the involvement of some of its officers, possibly, in this raid.*"

According to Cerveza, they will pursue the culprits themselves if the government is not capable of capturing them. He also believes the peace talks should continue as earlier planned:

[Cerveza] "If they allow the MNLF to do so, we will pursue those who should be captured."

Meanwhile, President Ramos has declined to issue arms to Ipil residents. The president said the Armed Forces have adequate capability to protect them. According to General Arturo Enrile, AFP [Armed Forces of the Philippines] chief of staff, 25 terrorists have already been killed by pursuing government troops. While escaping, the terrorists are holding several hostages to be used as human shields from the pursuing military forces.

Thailand

Activities of Visiting Deputy USTR Noted

BK0804125395 Bangkok PRACHACHAT THURAKIT in Thai 3-5 Apr 95 p 6

[FBIS Translated Text] Deputy U.S. Trade Representative [USTR] Robert Cassidy attended the "U.S. International Economic Priorities in the Post-Gatt World" forum organized by the U.S. Information Service from 31 March to 2 April. He took the opportunity to meet with senior Thai officials involved in Thai-U.S. negotiations on trade and economic relations. His meeting with Thai officials could be regarded as an informal effort to follow up on Thai-U.S. trade issues, including intellectual property and Phaisan Insurance matters. PRACHACHAT THURAKIT followed Cassidy's activities and summed up the major issues discussed, which were as follows:

On 29 March, Robert Cassidy called on Kroekkrai Chiraphaet, director of the Business Economics Department, to discuss the linkage between AFTA [ASEAN Free Trade Area] and NAFTA to expand cooperation as well as to expand cooperation in the Alliance for Mutual Growth. The discussions on these two issues were in the framework of the resolution of the ASEAN Economic Ministers meeting held in Chiang Mai in 1994.

In the afternoon, Cassidy called on Bunthipha Simasakun, deputy director of the Foreign Trade Department. The Thai side raised the General System of Preferences given by the United States to Thailand, the circumvention of the law concerning the origin of textile products, and the progress on the U.S. Farm Bill. Most of the issues which the Thai side brought up with Cassidy seemed not to be issues which Cassidy was prepared to discuss.

On the morning of 30 March, Cassidy called on Deputy Commerce Minister Kopsak Saphawasu and Suchai Chaowisit, director of the Intellectual Property Department. The topics discussed seemed to be those on which the United States wanted to focus. Cassidy inquired about progress in amending the 1992 Thai Copyright Act Articles 14, 19, 22, and 55 to conform with TRIPS [Trade Related Aspects of Intellectual Property Rights] and the establishment of intellectual property courts. Suchai explained that Thailand is in the process of amending the copyright law to conform with TRIPS. In the afternoon, Cassidy called on Tirana Phongmakaphat, chairman of the subcommittee on development of relations and cooperation between Thailand and the United States. The major issue discussed was Phaisan Insurance. The U.S. side expressed the view that the process to permit Phaisan Insurance to open 11 branches was very slow. Tirana explained that there is a snag in the law and the Juridical Council is in the process of interpreting article 115 of the Insurance Act.

Official Calls U.S. Tobacco Quota 'Appropriate'

BK1004041695 Bangkok BANGKOK POST in English 10 Apr 95 p 19

[FBIS Transcribed Text] Thailand's tobacco exporters get a windfall as the United States has allocated 7,000 tons of tobacco quota to Thailand even though the country normally exports only 5,000 tons to the US market.

Seri Phansuwan, managing director of the Thailand Tobacco Monopoly [TTM], said the US was applying the export quota system to Thai tobacco for the first time this year.

Tobacco exporters to the US are classified into two major groups. The first group regularly exports a hefty amount of tobacco to that market. For this group, the quota allocation is based on their past records. The US would impose import tariff at a regular rate.

The second group has not previously obtained the export quota to the US. If they want to start exporting to that market, they will have to pay higher tariff. Thailand is classified under the first group.

After a series of discussion, the Commerce Ministry has managed to get a 7,000-ton export quota from the targeted 10,000 tons per year.

Mr Seri said tobacco curers and exporters had notified the ministry and TTM that the quota allocated by the US was appropriate.

So far, Thailand has never exported more than 5,000 tons of tobacco to the US, so the TTM and tobacco exporters appreciate the success of the Commerce Ministry's negotiations to increase Thailand's export quota. However, the TTM and tobacco exporters are afraid that if the ministry does not accept the 7,000-ton offer, the negotiation would be prolonged and the US could take Thailand's quota into the "global pool" where Thailand has to compete with other countries.

Under the "global pool", Thailand could obtain less than 7,000 tons of quota, Mr Seri said.

Earlier, the US had decreed that US cigarettes use 75 percent locally produced tobacco. So, only 25 percent of the tobacco requirement could be exported to the US market.

Therefore, tobacco exporters throughout the world had protested against US tobacco import policy as it was contrary to the free trade system under the General Agreement on Tariffs and Trade.

Mr Seri said the US was the major tobacco export market for Thailand where 50 percent of its tobacco exports were shipped. The rest was exported to Japan, Germany, Egypt and Taiwan.

However, Thailand is also importing over 9,000 tons of tobacco such as Virginia worth over one billion baht per year from the US to blend with the local tobacco to produce cigarettes for local consumption.

The TTM is the state enterprise monopoly under the Finance Ministry. It produced 45 billion cigarettes last year.

Judicial Council Issues Ruling on Phaisan Case

BK0704161795 Bangkok MATICHON in Thai 3 Apr 95 p 17

[Unattributed report: "Judicial Council Nails Coffin for Phaisan Insurance on Branch Opening"]

[FBIS Translated Text] A source from the Judicial Council disclosed that with reference to a request submitted to the council by the International Economic Relations Policy Committee [IERPC] to use a provisional clause in Article 115 of the 1992 Insurance Act as a basis for reconsidering its earlier ruling that Phaisan Insurance Company was not entitled to open branches in Thailand, on 30 March the full council came to a conclusion reaffirming its earlier decision, that is the company has no right whatsoever to open branches in Thailand as long as it is 99.84 percent foreign owned—the ratio of percentage beyond the level set forth by the insurance law—even though the company, citing the existing law, claims that it is entitled to open branches in the country after one year of operations following its registration here.

The source said that the latest ruling is final. The council is unable to review its decision any further since it has already discussed all aspects of the relevant law in dealing with this issue. The council earlier reached the ruling upon a request made by the Ministry of Commerce by citing Articles 14, 16, and 112 of the insurance law. The council reaffirmed its ruling on the case by citing a provisional clause in Article 115. The IERPC earlier expressed a view that the company might be eligible for opening branches in accordance with the said provisional clause.

"In practice, after the Judicial Council reaches a ruling on a certain issue, governmental agencies concerned must carry it out, and that ruling will become a basis for interpreting other similar cases in the future. Nonetheless, it depends on the governmental agencies concerned to decide whether or not to allow Phaisan Issuance Company to open its branches. Any decision made to such an effect is not under the jurisdiction of the council. We simply issued the ruling in accordance with the law," said the source.

A report from the Insurance Department said that Article 115 allows the office of an insurance company receiving financial support from its main office before the promulgation of the 1992 Nonlife Insurance Law to submit a request either to set up or to abolish branches within one year. Phaisan Insurance Company has done just that. It was not reported whether the Judicial Council has referred to other articles in the law or not in reaching the decision.

Cabinet To Consider Insurance Liberalization

BK0804124295 Bangkok SIAM POST in Thai 4 Apr 95 pp 17, 26

[FBIS Translated Text] According to a report from the Commerce Ministry, the ministry will seek Cabinet approval during the latter's 4 April meeting for its proposal to allow more insurance companies to operate in the country.

Life and nonlife insurance business in Thailand has been growing steadily since the promulgation of the Nonlife Insurance Law in 1992 and the signing of the General Agreement on Trade and Tariffs (GATT). The Commerce Ministry has set up a committee to work on guidelines for the establishment of new insurance companies and to conduct a study on the business in the country. It was found that the total value of premiums collected in the country in 1982 was recorded at 8,276 million baht. The figure rose to 87,854 million baht in 1994. It is anticipated that the total value of premiums in 1997 will climb up to 156,000 million baht.

There are 75 insurance companies now operating in Thailand. Eleven out of 12 life insurance companies were registered in the country. Sixty-two nonlife insurance companies were registered in Thailand and five others were branches of foreign firms. [figures as published]

The Commerce Ministry reported that the majority of the insurance companies are of the family business type with limited capital investment and rather low efficiency. The Commerce Ministry has not given operating licenses to any new life or nonlife insurance company since 1992. Therefore, it deems appropriate to liberalize the insurance sector to induce competition which will benefit the people in terms of lower premium costs.

The new conditions set by the ministry for the opening of new insurance companies are: 1) the paid-up capital for a life insurance company is not more than 500 million baht and 300 million baht for nonlife insurance; 2) applicants must pay cash for guarantee money [with the Insurance Department] or have commercial banks guarantee the amount; 3) applicants are not allowed to sell the insurance company to or sell equities of the company to other people during the first 3 years after the date of the establishment of the company. Exception is for the improvement of the company's operation, but the shares sold to other people must not exceed 25 percent of the total equity of the company. This rule is aimed at preventing the transfer of ownership of the new company; 4) appropriate management and operation plans are required; 5) application time is one month; 6) applications will be considered by a committee set up by the Commerce Ministry; 7) obligations for the establishment of a limited company and public company are to be observed. The commerce minister can set additional conditions as he deems necessary.

The Commerce Ministry reportedly proposed the implementation of the liberalization plan into three phases. The first phase will deal with allowing more insurance companies to be set up. The second phase is to boost foreign share holding percentage from 25 to not more than 49 and amend the Life Insurance and Nonlife Insurance Laws of 1992. The last phase is to open more opportunities for foreign insurers to operate in the country to induce competition and subsequently lower premium rates.

Official Comments on Phaisan Insurance Case

BK0804125595 Bangkok THAI THURAKIT FINANCE in Thai 4 Apr 95 p 4

[FBIS Translated Text] Tirana Phongmakaphat, adviser to Deputy Prime Minister Suphachai Phanitchaphak, referred to the Juridical Council's interpretation which denies Phaisan Insurance the right to open branches. He said the Juridical Council must send a detailed report to the subcommittee on the development of economic relations between Thailand and the United States for submission to the economic policy board and to the cabinet for a decision.

The subcommittee sent the matter to the Juridical Council to interpret article 115 concerning filing for permits to set up branches within one year after the law came into effect and whether the branches were operating under control of the main office or independently in the capacity as branches in Thailand.

Tirana said a solution for Phaisan Insurance is to change the structure of its share holding to comply with government policy by reducing the foreign-held shares to 49 percent. This would be in compliance with the 1992 nonlife insurance act. The act will be amended to raise foreign-held shares from 25 to 49 percent to comply with GATT and the government's liberalization of the insurance sector.

Tirana said, "The 1992 nonlife insurance act's protection of Thai businessmen is too great and the amendment is appropriate."

Chai Sophonphanit, managing director of Bangkok Insurance Company Limited, said the company's board has not considered reduction of foreign shares from 30 to 25 percent, making the company unable to open four branches. The company has two options—to issue convertible debentures and warrants which foreigners can sell only to investors or to wait until the law is enacted.

Urges Phaisan To Reduce Foreign Shares

BK0804160895 Bangkok MATICHON in Thai 4 Apr 95 p 7

[FBIS Translated Text] Tirana Phongmakhaphat, adviser to Deputy Prime Minister Suphachai Phanitchaphak, said that he had not received a report from the Juridical Council on its interpretation of the provisional clause of Article 115 of the Nonlife Insurance Act. The council rules that Phaisan Insurance Company cannot open branches under the provisional clause. However, he learned that there were some different views regarding this issue. Some people said that Phaisan Insurance should be allowed to open branches since the company has already operated representative offices before the promulgation of the 1992 Nonlife Insurance Act.

Tirana said that others viewed that Article 115 cannot be applied alone to this case. Article 6, which is a major principle for insurance companies to ask for the establishment of branches, should also be applied. Article 115 can be applied only for the companies which are qualified under Article 6.

"The solution for Phaisan Insurance is to reduce the foreign shareholders' stake in the company. At present, foreigners own 99.84 percent of the total shares of the company. The nonlife insurance law will be amended later to allow foreigners to hold up to 49 percent of the total shares of each insurance company. So, Phaisan Insurance should reduce its foreign shareholders' stake in order to meet the new requirement. The amendment of the law is aimed at liberalizing the insurance sector, not particularly in favor of Phaisan. We cannot simply change the system to satisfy Phaisan's request," Tirana said.

Report Examines Phases for Insurance Liberalization

BK0904114595 Bangkok KRUNGTHEP THURAKIT in Thai 4 Apr 95 pp 1, 6

[FBIS Translated Text] According to a report from Government House, at the 4 April cabinet meeting Commerce Minister Uthai Phimchaichon made a proposal on the establishment of more insurance companies in compliance with the GATT negotiations concluded in 1993 requiring all countries to liberalize the insurance industry.

The Commerce Ministry has been considering the direction of the development of the insurance sector to comply with GATT. It was ready to submit a proposal to the cabinet for consideration late last year. However, due to certain problems the proposal was not put on the cabinet agenda.

According to the ministry proposal, the Thai insurance sector has expanded a great deal. In light of the commitment to GATT on trade liberalization, the ministry plans to further liberalize the insurance sector. The ministry's proposal has three stages.

1. In the initial stage, more insurance companies should be allowed to be set up. Operating permits are to be obtained from the commerce minister with cabinet approval.

2. In the intermediate stage, the limit on foreign-held shares should be raised from 25 to 49 percent to increase the foreign investment ratio.

3. In the long-term, to comply with the liberalization policy, more foreign insurance firms or branches should be allowed to open when Thai firms are ready to compete. Permits are to be obtained from the commerce minister with cabinet approval.

The above are the conclusions of the planning committee in support of the insurance liberalization policy that the Commerce Ministry has already approved of. Permits granted in the initial stage had increased the premiums for life and non-life insurance from 8,276 million baht in 1982 to 87,854 million baht in 1994. The amount is expected to reach 156,000 million baht in 1997.

Therefore, the rise in the number of insurers conforms with the situation and will benefit the public.

At present, there are 75 insurance companies. These include 12 life insurance companies, 67 non-life insurance firms, and the branches of six foreign firms. [all figures as published] Twenty of these firms are registered in the stock market. The rest are medium and small family-owned firms.

The main conditions set by the Commerce Ministry for granting permits to new insurance firms are:

1. For life insurance firms, the registered and paid capital must not be lower than 500 million baht. For non-life insurance firms, the required capital is 300 million baht. Foreign shares must not exceed 49 percent. For liberalization purposes, no other conditions should be set.

The Cabinet Secretariat has reportedly considered the Commerce Ministry's proposal to liberalize the non-life and life insurance business, which will have positive and negative effects on the national economy, and suggested that it be considered by a meeting of economic ministers.

Regarding the Commerce Ministry's intention to increase the number of life and non-life insurance firms, in the first phase permits will go Thai companies. There will be conditions to prevent the sale of permits for three years, except for the purpose of business expansion, in which case the number of shares to be sold must not exceed 25 percent.

The increase in permits for insurance companies will create competition in servicing and result in lower premiums throughout the system. Allowing foreign-held shares to exceed 25 percent will help the sector gain know-how. When insurance firms are strengthened In the future, the industry can be liberalized.

Charoen Phokphan and Sahawiriya groups and Watthana Atsawahem's MP Petroleum have indicated interests in entering the insurance business.

In any event, the Commerce Ministry's proposal does not specify how many new Thai insurance companies will be given permits in the initial stage, causing some groups to feel uncertain about the ministry's policy.

Meanwhile, the Commerce Ministry has a problem with branching of Phaisan Insurance, which is regarded as a foreign firm. AIA, which holds a 99-percent share in Phaisan Insurance, has appealed for Phaisan Insurance to be allowed to open branches. It appealed to the U.S. Government to negotiate with the Thai Government on the matter on the basis of the amity treaty made between Thailand and the United States over a decade ago.

Last year, the Commerce Ministry proposed to the cabinet that Phaisan Insurance be allowed to open branches, but this was opposed by the Juridical Council and the Finance Ministry. The Commerce Ministry now has to reconsider the issue and ask the Juridical Council to make another interpretation of the law before submitting it to the cabinet again for a decision.

Article Examines Universal Insurance Controversy

BK0804125195 Bangkok THE NATION in English 8 Apr 95 p A4

[Article by Chirawat Na Thalang: "Universal Insurance: Legal Credibility at Stake?"]

[FBIS Transcribed Text] The ever-changing legal citations given to Universal Insurance Co, an American-owned firm seeking special permission to set up branches in Thailand, has an implication. It reflects the Thai government's strong intention not to allow the American Insurance Group (AIG) subsidiary to have this privilege without giving other foreign firms the same treatment under the same conditions.

Universal Insurance, widely known as Phaisan Insurance, submitted the application to convert its representative offices into branches in 1992. But three years later, the government has yet to decide whether or not to allow the company to convert its 11 representative offices into branches.

Should Universal Insurance be entitled to have more branches? At that time, the interpretation from the Juridical Council was that the company was not eligible. Under the Insurance Law 1992, Thai officials said any foreign insurance company is not allowed to operate more branches in Thailand, a privilege granted only to Thai companies.

Established in 1952, Universal Insurance was taken over by AIG, a US insurance company giant with a strong presence in Asia, in 1968 after the Thai shareholders sold 99 per cent of their stake to them.

What happened when Universal Insurance became American-owned? The firm then cited the Treaty of Amity and Economic Relations between Thailand and the US as one of the reasons for its request that it be granted the same privilege given to Thai companies.

Under the bilateral treaty signed in 1966, American citizens and companies were given the same rights as local citizens to do business in Thailand and vice versa.

Considering the business concession given under the treaty, Universal Insurance is, indeed, entitled to have the right to ask for more branches.

The argument did not end there, however. The Thai government's legal adviser has found a provision under the treaty stating that it does not cover the "fiduciary" business, which, according to Thais, is the category where non-life insurance falls under.

The US then argued that as per international standards, non-life insurance is not regarded as fiduciary since it is not considered as a trust business.

One American official argued that non-life insurance is a risk-avoidance business because clients will not get their insured sum back unless their property is damaged.

(A dictionary's definition said fiduciary is one (as a corporate trust company or the trust department of a bank) that holds a fiduciary relations or act in a fiduciary capacity to another (as one whose funds are entrusted to it for investment)).

No one has talked about the interpretation of the fiduciary ever since.

When the case was up for consideration next, the argument shifted to whether the company, which is owned by Americans, broke the insurance law by operating branch offices.

A Thai official said that Universal Insurance has to categorize its business as a "sub-contracting" company for AIG to justify its operations after the amended version of the most recent Insurance Law took effect.

Under such a claim, the company is not eligible to ask for permission to operate branches in Thailand.

However, there is the other side to the coin. Universal Insurance might be able to pursue its branch application if the company accepted a penalty for operating branches without permission from the government.

At any rate, a Thai official said the company has to show evidence that Universal Insurance is indeed operating branches.

In other words, the definition of a branch has to be further interpreted.

For many observers, the issue has become increasingly complicated as the argument from both sides keep changing.

So far, the immediate winners seem to be the Thai side because they wanted to prolong the case until the passage of the new insurance law, which will lead to industry liberalization and put all nationals under equal treatment.

The Thai government has made it clear that it does not want to give special concessions to any particular party, and the standard of the new law would be the best reason the Thai government can give to the US side.

Is Universal Insurance a big loser in this case? It might not be so, considering the company will, sooner or later, be allowed to operate more branches after the passage of the new liberal insurance law, which is, according to Thai officials, much more liberal than the existing one.

Moreover, the prolonging seesaw of arguments have confirmed the company's bargaining position. Universal Insurance has proven its bargaining status is higher than that of an ordinary company.

The loser, instead, is the credibility of the country's legal system, where the meanings and rules can always be interpreted and re-interpreted. The prolonging of the case has shown that both sides have succeeded in citing the loopholes by their interpretative notes of the country's treaty and legislation for their own benefits.

Academics on Liberalizing Business Ownership

BK0804133795 Bangkok KRUNGTHEP THURAKIT in Thai 5 Apr 95 pp 1, 6

[FBIS Translated Text] Dr. Surakiat Sathianthai, dean of the Law Faculty of Chulalongkon University and member of the Alien Business Law drafting committee, reported on the drafting of the law, which is an amendment to Revolutionary Council Announcement No. 281. He said the drafting had been completed and the bill would be presented to the Council of Economic Ministers for consideration on 11 April.

About the contents of the draft, he said it is divided into two parts on categories of businesses. The first category covers businesses reserved for Thai nationals; they are businesses which involve national culture. There will be no liberalization of this category. The second category is for professional businesses like architecture, accountancy, medical profession, and law. This category will be opened up for liberalization after the law has been enforced for two years, unless authorities decide that liberalization would negatively affect the nation or those professions. In that case, authorities can seek cabinet approval for two more years of protection for those professions, but they must be able to provide adequate reasons.

Concerning the construction sector, Dr. Surakiat said that, according to steps in the new law, the sector will be opened up for liberalization and foreigners will be allowed to hold a 100 percent stake in the business. Under Revolutionary Council Announcement No. 281, foreigners are allowed to hold no more than a 49 percent stake in a joint venture with Thai citizens.

In any case. there are exceptions to that such as when it involves foreigners with residence in Thailand or foreigners whose countries have special treaties concluded with Thailand. The United States used to be the only country with a special treaty with Thailand, but now there are many countries which have bilateral trade agreements with Thailand. It can been said, therefore, that business has been liberalized to a certain extent.

Dr. Surakiat is of the view that, in addition to construction, Thailand should open up markets for other businesses as well, such as banking. This will have a direct impact on trade and service businesses, including insurance, financial institutions, and stock markets. They will, in turn, contribute to all kinds of businesses, including the construction sector itself.

The 1962 Construction Act, the 1979 Construction Control Act, and other related laws cover all aspects of construction business, with the exception of related businesses under regulations of the General Agreement on Trade in Services, especially the turnkey construction system, such as preparation work, site surveys, and choice of location. Those services are mentioned in the GATT definition of construction business. Thailand's liberalization, therefore, will have to compromise with GATT agreements.

Dr. Surakiat noted that there is no prescription in Thai law concerning financial services related to construction, such as the business of leasing construction materials and preparing the grounds for construction. All of them are covered by GATT agreements. Dr. Surakiat said that there should be a special law to give protection to Thai nationals who will be affected by liberalization. This could be, for example, laws concerning financial support from the government, which will help Thai companies better compete with foreigners.

Concerning liberalization of the construction sector, Dr. Suphat Suphachalasai, lecturer of the Economics Faculty of Thammasat University, said first we should look at the overall picture of the construction sector in order to know what is the real situation concerning competition, and whether there is competition among Thai contractors themselves.

From an overall picture, the construction sector represents only 5 percent in market share of the total industry in the country. The construction sector has an annual growth rate of 5 to 6 percent, and it is believed the growth rate will continue to be good for some time, especially concerning construction of industrial factories which is believed to help boost the growth rate of the construction sector to 8 percent. This includes expansion in the construction of major government infrastructure projects.

Dr. Suphat said the market for construction business in Thailand was rather closed. There was a small number of foreign companies which registered for the business when compared with the number of Thai contractors. In 1990, 3,783 Thai contractors registered their businesses with the Trade Registration Department, with total registered capital worth 7,745 million baht.

In 1991, a total of 3,579 contractors registered with the department with the registered capital worth 7,649 million baht.

In 1992, there were 4,234 contractors with a total registered capital of 6,781 million baht. From January to April 1993, 1,060 projects were registered with capital of 1,883 million baht.

Dr. Suphat said liberalization would not affect the construction sector much because, he thinks, foreign contractors would then hire subcontractors who are Thai citizens to work for them. He said Thai firms would benefit in terms of technology transfer.

The problem with liberalization would rather come from the fact that foreigners will have an advantage over Thai companies in terms of capital because foreign companies usually get financial support from their parent companies. Thailand, therefore, should think about financial liberalization in keeping with this so Thai contractors will not be at a disadvantage.

Meanwhile, Thailand's major construction companies also have great potential to compete with foreigners in an open market. Many of them have imported updated technology for use. Their weak point, however, is limited capital.

Dr. Suphat stresses that if we are serious about liberalization we should draw up measures of retaliation for price dumping by foreign companies. This is the responsibility of the Thai Government.

For Associate Professor Dr. Phichit Sukcharoenphong of the industrial engineering department of Kasetsat University, the only way to effectively cope with liberalization is by subscribing to the ISO 9000 standards system. European countries have all joined the system and they tend to boycott countries which are not members. Thailand will have difficulties in trade dealings if it does not join the ISO 9000 standards system.

Dr. Praphon Phasukyut, general manager of the IQ System Company Ltd., said it is not difficult to join the ISO 9000 Standards. Companies desiring to join the system can chose either the ISO 9000.1, the ISO 9000.2, or the ISO 9000.3. Companies which have joined the system find that it is easier to conduct business with foreign countries and that they are recognized by transnational companies.

Mekong Council Agrees to Invite PRC, Burma

BK0804125495 Bangkok BANGKOK POST in English 8 Apr 95 p 6

[FBIS Transcribed Text] The Mekong Council agreed yesterday to invite China and Burma to participate in the council's first formal dialogue in Phnom Penh in an attempt to draw cooperation of all riparian countries for sustainable development of the Mekong River.

The council's decision came after Thailand responded to gestures from Cambodia, Laos and Vietnam in their welcoming messages Wednesday for the participation of the two other nations of the upper Mekong River basin.

"China and Burma will be invited to participate in our first formal discussions both of the Mekong Council and the joint committee," said a Thai delegate.

The Mekong Council, chaired by Cambodia on alphabetical order, is scheduled to formally meet in Phnom Penh in July whereas the joint committee will meet in Vietnam in June, as arranged in reverse alphabetical order.

The joint committee yesterday discussed the Basin Development Plan which will be used as a base plan for the newly-formed Mekong River Commission.

The Basin Development Plan is based mostly on the defunct-Mekong Secretariat's annual programme. It will be further discussed at the formal meeting of the Council in Phnom Penh.

According to Director-General of Energy Promotion and Development Department Prathet Sutabut, 78 projects were listed in the defunct-Mekong Secretariat's annual report of which 58 are basin-wide and the rest statewide.

Thailand yesterday proposed a pre-feasibility study on the Ban Kum run-off-river hydropower project which will be constructed on the Mekong mainstream in Ubon Ratchathani province under the basin-wide category.

"At present, in our feasibility study there are three potential sites for the project. We have to further look into details of the project," said Mr Prathet.

The hydropower project is a small dam which will not require a large water reservoir to generate electricity. It will cause less adverse effects on forestry and require less community relocation.

Mr Prathet said there is also a water diversion plan to draw water from the mainstream in Lao's Pak Lai city into Thailand's Nan River in the wet season through underground tunnels.

Under the new Mekong agreement, water diversion from the mainstream in the wet season can be done through notification from the water user to other members.

Laos yesterday proposed 48 national projects, five related to hydropower plants and irrigation. Two of the five, at Pak Beng and Nam Tha towns in the northern part, were proposed for feasibility studies.

Cambodia proposed two projects, Prathet said. One of them is the Kirirom hydropower project which had its first preparatory meeting last year. The project is supported by Austria and Sweden.

Another project is Prek Thnnaot which had been shelved due to the civil war between the Khmer Rouge and the Vietnamese-supported government since 1975.

PRC Urged To Reconsider Joining Mekong Pact

BK1004091995 Bangkok BUSINESS DAY in English 10 Apr 95 p 4

[Editorial: "China Should Take Lead in Mekong Protection"]

[FBIS Transcribed Text] China should reconsider its refusal to join Thailand, Vietnam, Laos and Cambodia in a formal agreement to protect and preserve the Mekong River Basin. The Agreement on the Co-operation for the Sustainable Development of the Mekong River Basin is a major step in the right direction.

A Mekong River Commission is being set up, and the autonomous nature of the commission will give it the needed authority and credibility. The commission is charged with establishing policies for the development, management and preservation of the basin which encompasses over 600,000 square kilometers of mostly fertile land.

Unfortunately, China spoiled the party by giving only token recognition to the agreement. China's motives in staying away are fairly obvious. The Chinese portion of the Mekong stretches over 4,200 kilometers, and in effect China can greatly influence the quality and quantity of water flowing southward. A total of 23 dams have already been built in the Chinese section, and more are planned. Thus China has the upper hand and is, therefore, hesitant to submit to other authorities.

Though understandable from the standpoint of short-term self-interest, China's position should instead be based on a longer-range perspective, not only of the Mekong River Basin, but of the entire region stretching from China's Yunnan province southward to Malaysia. This region is without doubt one of the most promising areas for future economic growth and development in the world. Experts have long agreed that once the proper infrastructure is in place, the economies of Southeast Asia and Yunnan province can become a well-integrated market with great potential. Thus China should take into full consideration the entire scope of the development process. In this light, extensive regional co-operation will be needed in many areas, and the management and preservation of the Mekong River Basin is just one of the areas.

China's decision not to co-operate on the Mekong River Basin matter could set a divisive tone for future joint endeavors. And amid such divisiveness, any notion of a vibrant and economically integrated economic region will not materialize. In fact considering the size and potential of the Chinese economy, and the Yunnan province in particular, it is incumbent upon China not only to work towards cooperative activities but, more importantly, to take the lead in this matter. In the long run, developing the entire region as a viable and well-integrated economic system will bring far more benefits to all, including China, than an unco-operative attitude over the Mekong River Basin will ever bring.

Environmental protection is another reason why China's active co-operation is absolutely essential.

While it is true that the countries which are downstream from the Yunnan province can do no harm to China's portion of the river what is at stake here is a commitment on the part of the riparian nations to preserve and protect this major natural resource.

Editorial Says Mekong Accord Promotes Cooperation

BK0904064295 Bangkok MATICHON in Thai 8 Apr 95 p 2

[Editorial: "Mekong Accord"]

[FBIS Translated Text] Four countries—Thailand, Laos, Cambodia, and Vietnam—have signed an agreement on cooperation for the sustainable development of the Mekong basin. China and Burma, which are also situated on the river, did not sign, but their observers attended the meeting. The four signatories expressed hope that China and Burma would join the accord in the future. In any event, the accord does not appear to put Burma and China at any disadvantage.

Before the agreement was signed, there was considerable criticism, even an appeal was made, that the Thai Government should not join the agreement because it would be disadvantaged in using water from the river. China and Burma, which are upstream of the Mekong River, refused to join the accord because they fear they would be deprived of full use of water from the river. China even built a dam on the river to fully exploit it. There was fear that by signing the agreement, Thailand's hands would be tied from exploiting the river.

It appears, however, that the Thai Government and Foreign Ministry are confident that the agreement, which was signed on 5 April in Chiang Mai, would not cause Thailand any disadvantage. They feel that the agreement will amount to cooperation that will enable member countries to make their own water use plans. It is essential that downstream countries know the water use programs of the upstream countries.

The only disadvantage Thailand could encounter is that it will have to inform and receive the consent of other member countries on its use of water from the Mekong River in the dry season. Any water diversion in the rainy season needs no consent from other countries. The important thing here is cooperation among the countries in the same region. It is mutual development, not development of any specific country by unilateral use of water from an international river.

It can be said that the agreement is a tool for measuring cooperation in the region that consists of southern China, Burma, Laos, Thailand, Cambodia, and Vietnam. In fact, compared with the 1975 charter on use of water from the Mekong River which required upstream countries to seek approval of the downstream countries on water use, the latest agreement does not place much restrictions on the upstream countries. The new accord encourages mutual cooperation for comprehensive development of the Mekong, be it for irrigation, navigation, industrial, tourism, or environment conservation purposes. It promotes cooperation, not discrimination.

Prime Minister on Cambodian Army 'Robbery'

BK1004031995 Bangkok BANGKOK POST in English 10 Apr 95 p 3

[FBIS Transcribed Text] Hardship and difficult lives have driven Cambodian army officials to rob Thai residents living in border areas, said Prime Minister Chuan Likphai yesterday. The premier said despite continual efforts by the Cambodian authorities to crack down on bandits, robbery was still widespread along the border. Owing to insufficient income, some Cambodian army officials may turn to criminal acts such as robbery.

Meanwhile, Sa Kaeo provincial governor Kasem Chaiyasit said he supports the move to close the border pass at Poipet in retaliation against the Cambodian authorities for failing to take action against the bandits.

Earlier, National Security Council chief Charan Kunlawanit said the Government has approved the opening of permanent border checkpoints at Poipet and Khlong Yai District in Trat. However, Cambodia has so far been able to arrange a customs office only at Poipet, Gen Charan said.

Border Policemen Found Dead in Cambodia

BK0804121195 Bangkok BANGKOK POST in English 8 Apr 95 p 1

[FBIS Transcribed Text] Ta Phraya, Sa Kaeo—Two Border Patrol [BPP] policemen reported missing on Wednesday have been found dead inside Cambodia, the Burapha Force revealed yesterday.

According to a report to the Burapha Force, two BPP men—Pol [police] Corporal Khongsak Kosai, 28, and Pol Lance Corporal Mongkhon Khanunghan, 27, of the 125th BPP Company—were last seen travelling on a motorcycle on an official trip to the border on Wednesday when they disappeared.

Pol Maj [Police Major] Yutthana Kaeocharoen, commander of the 125th BPP Company, reported the incident to the Burapha Force on Thursday. A 30-strong BPP patrol was subsequently dispatched to look for the two along the Thai side of the border.

At the same time the Burapha Force asked Cambodia's 7th Division under Maj-Gen Ko Chhean through the Thai-Cambodian Coordination Office to help look for them in Cambodia.

The Thai side was informed on Thursday night that the body of a BPP trooper had been found three kilometres inside Cambodia.

The body, identified as Pol Lance Corporal Mongkhon, was brought back to Thailand yesterday morning. He had been shot many times in the back with an AK-47 rifle. The body of the other BPP trooper, Pol Corporal Khongsak, was found late yesterday several hundred metres from where the first corpse was located.

Military Urges Protest

BK0904102995 Bangkok THE SUNDAY POST in English 9 Apr 95 p 2

[FBIS Transcribed Text] Sa Kaeo—The military will ask the Foreign Ministry to protest to Phnom Penh over the abduction and killing of two Thai border patrol police [BPP] by Cambodian bandits, a Burapha Task Force army officer said.

The two BPP men, Pol L/Cpl [Lance Corporal] Mongkhon Khanunghan and Pol Cpl [Police Corporal] Khongsak Kosai, were robbed by Cambodian bandits while riding a motorcycle along a border road in Ta Phraya District on Wednesday.

Their bodies were found bullet ridden by AK47 assault rifles 200 metres apart only three kilometres inside Cambodia.

The officer said Burapha Task Force commander Maj-Gen Niphon Parunnit had ordered an increase of patrols along the border with troops being ordered to retaliate against armed Cambodian intruders.

A military source noted that robbery, banditry and kidnapping allegedly committed by Cambodian bandits tended to increase every time the Thai military closed the border pass opposite Bung Takuan inside Cambodia.

The source said the kidnapping of the two BPP officers followed the closure of the border on March 22.

Cpt [Captain] Kong Kaeng of Cambodia's Seventh Division admitted yesterday that there were some undisciplined Cambodian soldiers near the border who, because of starvation, might resort to robbery. He said not only Thai, but also Cambodian civilians, had been robbed by bandits and undisciplined troops. He admitted the bandits outnumber his troops, totaling around 30.

Meanwhile, Deputy Foreign Minister Surin Phitsuwan said yesterday that the Wednesday attack on a Thai banker in Phnom Penh shows it is unsafe for foreigners in Cambodia. He warned Thai investors and tourists to be on guard while in Cambodia as there is still an atmosphere of insecurity and conflict in the country.

Mr Luesak Wuthisakun, the Thai manager of the Royal Cambodia Bank in Phnom Penh, was badly assaulted by men dressed in military uniforms while he was returning home from the office Wednesday night. He returned to Bangkok the following morning for medical treatment.

Mr Surin said he thought certain Cambodian elements wanted to create an atmosphere of insecurity or an image of conflict in Cambodia to scare away foreign investors. Not only Thais, but also other foreigners have been harmed, he added.

The deputy foreign minister said he found the actions of such Cambodian elements short-sighted and wrong.

"We want to see reconciliation between all factions in Cambodia," he said.

Regarding the safety of Thais in Cambodia, Mr Surin said he had discussed the issue with Prime Minister Hun Sen who had promised their safety. He added that he trusted Mr Hun Sen but, at the same time, would like to warn Thais to exercise extreme caution and refrain from getting involved in internal Cambodian politics.

He quoted Prime Minister Chuan Likphai as recently telling the Cambodians that Thai people were true friends of Cambodia because at a time when most foreigners were hesitant to invest in the country, Thai businessmen had been there helping to prop up its economy.

Ministry Expected To Close Crossing to Burma

BK0704155895 Bangkok Radio Thailand Network in Thai 1200 GMT 7 Apr 95

[FBIS Translated Text] General [Gen.] Charan Kunlawanit, secretary general of the National Security Council [NSC], commenting on a letter reportedly expected to be sent to the NSC by the Ministry of Interior to request consideration of closing the Tha Chi Lek border crossing point in Mae Sai District, Chiang Rai Province due to a threat to security posed by the fighting between the Burmese Government forces and ethnic minority groups along the border area, told the press that the NSC has not yet received the said letter. After receiving the Ministry's letter, the NSC will immediately hold a meeting of the committee in charge of border closings. If the Ministry wants to take quick action on this matter, it must send the letter to the NSC as soon as possible.

Gen. Charan Kunlawanit went on to say that on 5 April, a number of officials concerned, including the chief of Mae Sai District, were summoned to a meeting to discuss the situation. He instructed them to inform people residing along the Thai-Burmese border to refrain from venturing into Burmese territory, because they might come to harm. Local authorities are also instructed to take precautionary measures to provide security to Thai citizens living along the border. In addition, he also instructed them to stand ready to attend another meeting because it is definite that the Interior Ministry will submit a request to the NSC on the closure of the Tha Chi Lek border crossing.

Gen. Charan Kunlawanit noted that it has been reported that Burma has already closed some border crossing points to prevent Thai villagers from entering that country. Therefore, the Thai people should not cross the border into Burma. As for those traders who have earned their living along the border, they should move somewhere else to do business.

'Source': Burma Denies Allegation of Tak Raid

BK0904112495 Bangkok THE SUNDAY NATION in English 9 Apr 95 p A2

[FBIS Transcribed Text] Burma has denied Thailand's allegations that its military personnel raided a house in Tak province in March in a letter submitted to Thai Ambassador to Rangoon Poksak Nilubon, according to an informed source.

Thailand accused Burmese troops of the March 2 pillaging of a house belonging to Thai citizens in Tak, in which the owner was injured. Bangkok lodged the first of several complaints on the issue with Burma's Bangkok-based envoy on March

The source said this is Burma's first response to the allegation, and its first outright denial of Burmese troop activity in Thailand.

"Thailand has lodged protest notes over several other incidents, and the Burmese side just said it would take them into consideration," the source said. According to Burma's letter, none of its military personnel was involved in these incidents.

The document stated that armed clashes had taken place between a Karen group known as the Democratic Kachin Buddhist Organization (DKBO) and followers of Karen leader Gen Bo Mya, resulting in cross border activities.

"Burma's authorities are not responsible for the actions of groups with whom there are no formal agreements and who have not yet returned to the legal fold. It is well known that these groups have been operating in and out of Thailand for decades," the letter said.

In the denial, Burma claimed to have always respected the sovereignty and territorial integrity of its neighbours, saying it has never allowed armed insurgents to station themselves in or act against neighbouring countries.

"The use of 'Myanmar military personnel' could give rise to undesirable misunderstanding between the two nations, and the Foreign Ministry would therefore like to advise the Thai embassy to inform the authorities concerned to desist from using this allegation which is at variance with the truth and is detrimental to the existing friendship between both countries," the letter stated.

BANGKOK POST Corrects Supachai Remark

BK0704034695

The following source-supplied correction pertains to the item titled: "Supachai Proposes Greater Role for Yen, Mark" published on page 63 of the 6 April East Asia DAILY REPORT. Bangkok BANGKOK POST in English on page 17 of the 7 April edition publishes a "Correction" referring to remarks attributed to Deputy Prime Minister Suphachai Phanitchaphak in the first paragraph of the aforementioned item:

"Due to an editing error, Deputy Prime Minister Dr Suphachai Phanitchaphak was quoted as saying in yesterday's BUSINESS POST that the Japanese yen and the German mark should be given more weight in the country's basket of currencies.

"In fact, his comment should have read: 'The yen and the mark should be given more weight in the country's foreign reserves, which now stand at around US$30 billion.'

"We regret the error."

Vietnam

Do Muoi's Japan, ROK Visit Previewed

BK0804124095 Hanoi Voice of Vietnam in English 1000 GMT 7 Apr 95

[Station commentary]

[FBIS Transcribed Text] This week's foreign affairs press conference in Hanoi touched largely on two issues. Firstly, it was the official visit to South Korea and Japan of the Vietnamese Communist Party General Secretary Do Muoi, and the spokesperson for the Vietnamese Foreign Ministry also mentioned the visit to Vietnam in late March of Monsignor Claudio Celli, deputy head of Vatican Foreign Affairs Department. Here is our radio editor's comments on both subjects.

Party General Secretary Do Muoi will visit South Korea from 11 to 15 April and Japan from 17 to 21 April. It is the first official visit to South Korea and Japan of the highest leader of Vietnam. The party general secretary will be accompanied by the Foreign Minister Nguyen Manh Cam, Vice Premier Tran Duc Luong who is also chairman of the State Planning Committee, Minister of Trade Le Van Triet, and representatives of 30 major Vietnamese businesses. Party leader Do Muoi will discuss with South Korean and Japanese leaders ways to promote long-term friendly and cooperative relations, particularly in trade, investment, scientific, and technical fields. The party leader will visit the Japanese emperor. He will meet with different officials and representatives of major corporations, attend seminars on trade and economic cooperation, and visit modern industrial establishments in both countries. It is expected a large number of agreements will be signed.

Vietnam, South Korea, and Japan all share the Asia-Pacific region. Therefore, Vietnam and these two countries have the same aspirations to broaden cooperative relations for mutual development.

The Foreign Ministry spokesperson answered the questions at the press conference about the recent visit to Vietnam of Monsignor Claudio Celli, deputy head of the Vatican Foreign Affairs Department in Rome. The spokesperson said that during his visit, both sides did not reach agreement on some issues which will have to be studied and discussed further. The Vietnamese Foreign Ministry spokesperson said the Vietnamese Government and the Vatican has agreed that consecration procedures for the Catholic Church in Vietnam would be implemented case by case after discussion and agreement between the Vatican and Vietnamese Government.

Vietnam and the Vatican have met many times recently both in Hanoi and Rome in order to improve bilateral relations. So far, 18 Vietnamese bishops and one cardinal have been consecrated. It is considered a considerable figure showing bilateral coordination on the basis on mutual respect, and respect for Vietnam's independence and sovereignty.

Government Sponsors World Economic Forum

BK0704153695 Hanoi VNA in English 1428 GMT 7 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 7—A forum on Vietnam's economy opened today in Ho Chi Minh City under the sponsorship of the Vietnamese Government and the World Economic Forum (WEF).

Over 250 representatives of nearly 200 major home and world leading businesses as well as Vietnamese and WEF senior officials attended the forum co-chaired by Deputy Prime Minister Phan Van Khai and WEF Director Colette Mathur.

Addressing the opening session, Mr. Khai expressed thanks to the WEF's for its interest in and goodwill towards Vietnam highly appreciated its guiding principle, goals and role in the world's political and socio-economic life and the friendly and cooperative ties among nations. Deputy P.M. Khai affirmed that the relations between Vietnam and the WEF have been developed fruitfully and effectively and that the WEF has served as a bridge between Vietnam and the international community.

On behalf of the Vietnamese Government, Mr. Khai presented the participants of the situation and essential solutions of Vietnam's socio-economic development from now to 2000, its renovation policies in the shift to the market economy along the line of multi-lateralizing and diversifiying foreign relations and consolidating the state of law. He also pointed to the difficulties and oustanding problems that Vietnam has to cope with at present and its solutions to keep on renovating economy in close combination with the state administrative reform.

Taking the floor, Ms. Colette Mathur highly appreciated Vietnam's policy on renovation and expressed her belief that Vietnam would be successful in the renovation process and won a worthy role in the region and the world as a whole.

The same day, speeches on capital market development, banking system reform, development of.legal basis for foreign investment, geographic location, vietnam's economy with respect to regional development, and Vietnam's cooperation with ASEAN member countries were presented by Finance Deputy Minister Pham Van Trong, Vice Governor of the State Bank Le Van Chau, Vice-Chairmen of the State Committee for Cooperation and Investment and the State Planning Committee Nguyen Mai and Tran Xuan Gia respectively, and Deputy Foreign Minister Vu Khoan.

The participants had group discussions on current economic situation and major solutions for Vietnam's socio-economic development, state administrative and economic reforms, and cooperation and investment opportunities in Vietnam.

Later today, Ms. Colette Mathur was received by Deputy Prime Minister Phan Van Khai who expected the further WEF support to Vietnam in economic development, including co-organization of similar forums with a view to introducing Vietnam to foreign countries and economic and financial organisations so that they could cooperate with Vietnam fruitfully in implementing the socio-economic strategy up to the year 2000.

The WEF director highly valued the Vietnamese leaders' positive activities in national construction and expressed pleasure at the organization of the forum.

Phan Van Khai Speaks at Forum

BK0904064495 Hanoi VNA in English 1237 GMT 8 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 8—Vietnam will continue its economic and public administration reforms in order to overcome future challenges and seize new opportunities, said Deputy Prime Minister Phan Van Khai at the Vietnam Economic Forum which opened in Ho Chi Minh City on Friday.

Mr. Khai, who is serving as co-chairman of the 3-day forum jointly organised by the World Economic Forum (WEF) and the Vietnamese Government, briefed 200 international business people on Vietnam's current situation, and the measures that will be taken to develop the country socio-economically through to the year 2000.

He said: 'The next step of the Doi Moi process will be mainly on major issues such as: complete liberalisation of labour forces, full utilisation of the potential of the economic sectors and segments of population in order to quickly increase saving and investment for development restructuring of management to improve the efficiency of the state sector of the economy creation of a better investment environment for foreign investors stabilisation of the macro economy and continuation of the reforms in the financial and monetary system and improvement of the ability to control inflation, promotion of all sided public administration to unify and stabilise the institutions to build strong administrative organs, maintaining the rules and order of economic and social life.'

Giving an accounting of Doi Moi over the last 10 years, Mr. Khai said the basic elements of a market economy have been formed while production forces have been liberalised. This in turn has spurred the initiative and creativity of the Vietnamese people, and has led to a general and profound alteration in socio-economic activity.

'Those are the factors that help the country overcome great difficulties and challenges, some of them were even critical in 1990-1991, to gain important achievement, and momentum for sequential development,' he said.

In the four year period from 1991-1994, the average annual GDP growth rate was 8 per cent, of which agriculture increased by 4.2 per cent, industry by 12.6 per cent, services by 8.6 per cent and export by 20 per cent. Vietnam became the world's third biggest rice exporter, with annual export volume between 1.5 and 2 million tons. According to Khai, market price mechanisms have been applied, and the country's financial and monetary systems are getting more stable every day. Inflation is gradually being brought under control, while budget revenue from taxes, fees and other domestic sources has increased steadily.

Vietnam now boasts trade relations with over 100 countries. By the end of 1994, foreign investment amounted to some USD [U.S. dollars] [word indistinct] billion of all registered capital, of which one-third is in operation now. In addition foreign donors and international financial institutions have made commitments to provide over USD 3.8 billion to Vietnam in the years ahead.

The life of the people throughout Vietnam has stabilised and improved. Hunger, said the deputy prime minister, has been fundamentally eliminated.

However, said Mr. Khai,the country does face difficulties that need to be overcome. Market mechanisms are only in their initial stage, and are not yet fully integrated and smoothly operated. Economic efficiency is still low, and the financial and monetary system is still relatively weak. The macroeconomic management of the state is not yet in step with the demand for progress, and the national public administration needs reform.

'The achievements of the Doi Moi process in current years allow us to shift the country to a new stage of development, where we step up the vital processes of industrialisation and modernisation, in order to reach our targets of an increased GDP 2.5 to 2.7 times over that of 1990,' Mr. Khai said.

The deputy prime minister outlined a plan of socio-economic development for the 1996-2000 period that proposes to increase the GDP by 10-12 per cent, exports by 24 per cent, and imports by 22 per cent per year. Under this plan, it is hoped that total investments would reach USD 50-55 billion, and investment rates would increase to 28-30 per cent of the GDP—of which over 50 per cent would be from external sources such as ODA [Overseas Development Aid] and FDI [Foreign Direct Investment].

Mekong River Pact Signed, 'Goodwill' Hailed

BK0804140295 Hanoi Voice of Vietnam in English 1000 GMT 7 Apr 95

[Station commentary]

[FBIS Transcribed Text] As we broadcast yesterday, four nations bordering the lower Mekong River have signed in Chiang Rai an agreement on cooperation for sustainable development of the Mekong River basin. Here is our radio's comment.

Vietnam, Laos, Thailand, and Cambodia all share the Mekong River. Recently they have had discussions on the use and exploitation of the water and natural resources of the river. On November last year, they initialed the agreement in Hanoi. Then after five months, Vietnam, Laos, Thailand, and Cambodia have now officially signed it. It shows the countries share the determination to use and exploit natural resources of the lower region of the Mekong River. It has opened up bright prospect for cooperative relations in the lower region of the Mekong River. Moreover, the signing of this agreement will also be a contribution to peace, stability, and cooperation in the region. It demonstrates the goodwill, cooperation, and mutual understanding of the governments and peoples of the four countries.

Foreign Minister Nguyen Manh Cam affirmed after the signing ceremony that Vietnam respected all articles of the agreement and always respected the legitimate interests of the countries bordering the Mekong River in exploiting and using its natural resources. Vietnam would do its best to strengthen cooperative relations in using and exploiting the Mekong River.

German Economic Minister Visits Hanoi 6 Apr

BK0704143195 Hanoi VNA in English 1401 GMT 7 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 7—German Minister of Economics Dr. Guenter Rexrodt has been in Vietnam since April 6 for a three-day working visit.

The German minister who heads a delegation of 30 representatives of German economic sectors met with senior officials of the Ministries of Trade and Light and Heavy Industries, the Chamber of Commerce and Industry, the State Planning Committee and the State Committee for Cooperation and Investment.

The visit aims to discuss expanded trade ties and increased investment of Germany which remains one of Vietnam's major trade partners.

Received by Vo Van Kiet

BK0904064595 Hanoi VNA in English 1427 GMT 8 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 8—Prime Minister Vo Van Kiet received here this afternoon the visiting German Economics Minister, Dr. Guenter Rexrodt.

The prime minister assured the German minister of Vietnam's efforts not to let such small problem as the repatriation of the Vietnamese affect the traditional fruitful relations between Vietnam and Germany.

He said that Germany's capital, technology and managerial experience are important to Vietnam's industrialization and modernisation and expressed his hope that the friendship and cooperation of mutual interests between the two countries would develop more widely and effectively.

For his part, Minister Guenter Rexrodt said that his government was ready to participate in Vietnam's socio-economic development programmes and wished to develop the all-round, stable, and long-lasting cooperation with Vietnam.

South Shipping Additional Rice to North

BK0704142395 Hanoi VNA in English 1401 GMT 7 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 7—One hundred and fifty thousand tonnes of rice are to be transported from the south to the north this month to help meet the present shortage of around 200,000 tonnes.

Three state-run food companies are required to supply the north with 70,000 tonnes and the rest falls under the responsibility of enterprises of other economic sectors. Of the 40,000 tonnes to be supplied by the food company no.1, 10,000 tonnes will be held in reserve.

Presently, about 30,000 tonnes of rice owned by state-owned and non-state enterprises have reached Hai Phong port, meeting the presently urgent demands for food in northern provinces.

VNA Reports on Inflation for First Quarter

BK0904095695 Hanoi VNA in English 0618 GMT 9 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 10 [as received]—Market prices in the first quarter of this year increased by 18.7 per cent over the previous corresponding period, with the sharpest increase in the first two months.

Remarkable rises were recorded in a number of consumer goods such as food, foodstuff, garments and household utensils which are in high demand during the lunar new year festival. Prices of other commodities, gold and the us dollar, increased slightly.

The inflation index increased 3.8 per cent in January and 3.4 per cent in February. In March the figure rose only 0.2 per cent compared with February. Notably, the prices of food, garments and construction materials (except cement) fell compared with February.

In the first three months, food prices rose over 30 per cent compared with consumer goods and service prices, 39.8 per cent compared with gold and 40.8 per cent compared with the US dollar. Prices of foodstuff and other goods were up between 7 and 20 per cent compared with the same period of 1994.

Generally, from the first quarter of 1994 to the first quarter of 1995, prices in the northern market increased higher than the southern market.

National Assembly Issues Communique No. 8

BK0704155395 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Apr 95

["Communique No. 8" on the 7 April proceedings of the Ninth National Assembly's Seventh Session]

[FBIS Translated Text] Today, National Assembly deputies spent the whole day gathering at the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu for their continued debate on the draft civil code.

Prior to the continued expression of views by National Assembly deputies, the National Assembly heard Ministry of Justice Nguyen Dinh Loc, on behalf of the law-drafting committee, give further explanations on certain issues of this draft civil code.

There were 19 deputies airing their views on the draft civil code. Their views centered on the following points of the draft civil code:

—various forms of ownership in civil relations.
—the question of civil obligation and civil contracts.
—the question of inheritance.

Tomorrow, the National Assembly will continue its debate on the draft civil code at the conference hall.

Assembly Issues Communique No. 9

BK0804153295 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Apr 95

["Communique No. 9" on the 8 April proceedings of the Ninth National Assembly's Seventh Session]

[FBIS Translated Text] Today, 8 April, the National Assembly held its working session in the morning at the Conference Hall under the direction of Phung Van Tuu, vice chairman of the National Assembly. The debate on the draft civil code continued.

Sixteen deputies expressed their views: Nguyen Thiet Hung of Khanh Hoa, Le Thi Thanh Liem of Ben Tre, Vu Tuat Viet and Nguyen Minh Thanh of Ho Chi Minh City, Le Ngoc Sanh of Dac Lac, Pham Hung of Hai Hung, Le Van Chuyen of Lai Chau, Le Thi Bich of Ninh Binh, Nguyen Van Tu of Dong Nai, Lo Trung Thanh of Nghe An, Tran Chu Toan of Gia Lai, Nguyen Khac Tao of Ha Tinh, Nguyen Khuong of Binh Thuan, Tran Thi Le Thu of Binh Dinh, Nguyen Thi Liem of An Giang, and Dang Thi Thanh Huong of Quang Ninh.

The National Assembly deputies' opinions focussed on issues such as the various forms of ownership, the contents and limitation of ownership right, civil obligations, civil contracts, guarantee for the execution of civil obligations and civil contracts, inheritance rights, and conditions for inheritance.

In the afternoon, the deputies conducted their own study of the documents.

Party Control Department Holds Conference

BK0704135895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 Apr 95

[FBIS Translated Text] On 4-5 April in Hanoi, the Party Central Committee's Control Department held a conference with the heads and deputy heads of control sections of party organizations of central government agencies to discuss party control task in preparation for the party congress.

The conference stressed the need to make proper preparations for cadre work at all three levels, i.e. executive cadres, member delegates, and general members. Cadres should be reorganized where needed. Cadre work should not be treated lightly, especially at the central agency level. The conference also stressed that among the executive ranks, the expectations of political acumen and revolutionary morality are high. Every effort should be made to find suitable solutions to the handling of people's complaints and denunciations, which should be linked respectively to self-control and self-criticism. All conference attendants pledged to do well in their control task as a practical contribution to the upcoming party congress.